

APR 19 2001  
WAYS & MEANS CALENDAR

HOUSE FILE 727  
BY COMMITTEE ON WAYS AND MEANS

**PRINTED**

(SUCCESSOR TO HF 671)

(SUCCESSOR TO HF 523)

Passed House, Date 4-26-01 (P. 1595) Passed Senate, Date 5/7/01 (P. 1553)  
Vote: Ayes 92 Nays 3 Vote: Ayes 47 Nays 0  
Approved May 21, 2001

**A BILL FOR**

1 An Act relating to county mental health, mental retardation, and  
2 developmental disabilities services provisions involving  
3 capital expenditures and the funding pools in the property tax  
4 relief fund for such services expenditures and providing  
5 effective and retroactive applicability dates.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 727

1 Section 1. Section 331.424A, subsection 6, Code 2001, is  
2 amended by striking the subsection.

3 Sec. 2. Section 331.427, subsection 2, paragraph n, Code  
4 2001, is amended by striking the paragraph.

5 Sec. 3. Section 331.438, subsection 1, paragraph a,  
6 unnumbered paragraph 2, Code 2001, is amended by striking the  
7 unnumbered paragraph.

8 Sec. 4. Section 426B.5, subsection 1, paragraphs b, c, and  
9 d, Code 2001, are amended to read as follows:

10 b. A statewide per capita expenditure target amount is  
11 established. The statewide per capita expenditure target  
12 amount shall be equal to the ~~seventy-fifth~~ one-hundredth  
13 percentile of all county per capita expenditures in the fiscal  
14 year beginning July 1, 1997, and ending June 30, 1998.

15 ~~c. Only a county levying the maximum amount allowed for~~  
16 ~~the county's mental health, mental retardation, and~~  
17 ~~developmental disabilities services fund under section~~  
18 ~~331.424A is eligible to receive moneys from the per capita~~  
19 ~~expenditure target pool for a fiscal year. Moneys available~~  
20 ~~in the pool for a fiscal year shall be distributed to those~~  
21 ~~eligible counties whose per capita expenditure in the latest~~  
22 ~~fiscal year for which the actual expenditure information is~~  
23 ~~available is less than the statewide per capita expenditure~~  
24 ~~target amount. Moneys available in the per capita expenditure~~  
25 pool for a fiscal year shall be distributed to those counties  
26 who meet all of the following eligibility requirements:

27 (1) The county is levying the maximum amount allowed for  
28 the county's mental health, mental retardation, and  
29 developmental disabilities services fund under section  
30 331.424A.

31 (2) The county's per capita expenditure in the latest  
32 fiscal year for which the actual expenditure information is  
33 available is equal to or less than the statewide per capita  
34 expenditure target amount.

35 (3) In the previous fiscal year, the county's mental

1 health, mental retardation, and developmental disabilities  
2 services fund ending balance under generally accepted  
3 accounting principles was equal to or less than thirty-five  
4 percent of the county's projected expenditures for that fiscal  
5 year.

6 (4) The county is in compliance with the filing date  
7 requirements under section 331.403.

8 d. The distribution amount a county receives from the  
9 moneys available in the pool shall be determined based upon  
10 the county's proportion of the general population of the  
11 counties eligible to receive moneys from the pool for that  
12 fiscal year. However, a county shall not receive moneys in  
13 excess of the amount which would cause the county's per capita  
14 expenditure to ~~equal~~ exceed the statewide per capita  
15 expenditure target. Moneys credited to the per capita  
16 expenditure target pool which remain unobligated or unexpended  
17 at the close of a fiscal year shall remain in the pool for  
18 distribution in the succeeding fiscal year.

19 Sec. 5. Section 426B.5, subsection 2, Code 2001, is  
20 amended by striking the subsection.

21 Sec. 6. Section 426B.5, subsection 3, Code 2001, is  
22 amended by adding the following new paragraph before paragraph  
23 a and relettering the subsequent paragraphs:

24 NEW PARAGRAPH. 0a. For the purposes of this subsection,  
25 unless the context otherwise requires:

26 (1) "Net expenditure amount" means a county's gross  
27 expenditures from the services fund for a fiscal year as  
28 adjusted by subtracting all services fund revenues for that  
29 fiscal year that are received from a source other than  
30 property taxes, as calculated on a modified accrual basis.

31 (2) "Services fund" means a county's mental health, mental  
32 retardation, and developmental disabilities services fund  
33 created in section 331.424A.

34 Sec. 7. Section 426B.5, subsection 3, paragraph c,  
35 subparagraphs (1), (2), and (4), Code 2001, are amended to

1 read as follows:

2 (1) A county must apply to the board for assistance from  
3 the risk pool on or before April 1 to cover an unanticipated  
4 cost net expenditure amount in excess of the county's current  
5 fiscal year budget budgeted net expenditure amount for the  
6 county's ~~mental-health, mental-retardation, and developmental~~  
7 ~~disabilities~~ services fund. For purposes of applying for risk  
8 pool assistance and for repaying unused risk pool assistance,  
9 the current fiscal year budget budgeted net expenditure amount  
10 shall be deemed to be the higher of either the budget budgeted  
11 net expenditure amount in the management plan approved under  
12 section 331.439 for the fiscal year in which the application  
13 is made or the prior fiscal year's ~~gross-expenditures-from-the~~  
14 ~~services-fund~~ net expenditure amount.

15 (2) Basic eligibility for risk pool assistance shall  
16 require a projected need net expenditure amount in excess of  
17 the sum of one hundred five percent of the county's current  
18 fiscal year budget budgeted net expenditure amount and any  
19 amount of the county's prior fiscal year ending fund balance  
20 in excess of twenty-five percent of the county's gross  
21 expenditures from the services fund in the prior fiscal year.  
22 However, if a county's services fund ending balance in the  
23 previous fiscal year was less than ten percent of the amount  
24 of the county's gross expenditures from the services fund for  
25 that fiscal year and the county has a projected net  
26 expenditure amount for the current fiscal year that is in  
27 excess of one hundred one percent of the budgeted net  
28 expenditure amount for the current fiscal year, the county  
29 shall be considered to have met the basic eligibility  
30 requirement and is qualified for risk pool assistance.

31 (4) A county receiving risk pool assistance in a fiscal  
32 year in which the county did not levy the maximum amount  
33 allowed for the county's ~~mental-health, mental-retardation,~~  
34 ~~and developmental-disabilities~~ services fund under section  
35 331.424A shall be required to repay the risk pool assistance

1 during the two succeeding fiscal years. The repayment amount  
2 shall be limited to the amount by which the actual amount  
3 levied was less than the maximum amount allowed, with at least  
4 fifty percent due in the first succeeding fiscal year and the  
5 remainder due in the second succeeding fiscal year.

6 Sec. 8. Section 426B.5, subsection 3, Code 2001, is  
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. f. On or before March 1 and September 1 of  
9 each fiscal year, the department of human services shall  
10 provide the risk pool board with a report of the financial  
11 condition of each funding source administered by the board.  
12 The report shall include but is not limited to an itemization  
13 of the funding source's balances, types and amount of revenues  
14 credited, and payees and payment amounts for the expenditures  
15 made from the funding source during the reporting period.

16 Sec. 9. 2000 Iowa Acts, chapter 1232, section 1,  
17 subsection 2, unnumbered paragraph 1, is amended to read as  
18 follows:

19 For deposit in the per capita expenditure target pool  
20 created in the property tax relief fund pursuant to section  
21 426B.5, subsection 1:

22 ..... \$ ~~10,492,712~~  
23 12,492,712

24 Sec. 10. 2000 Iowa Acts, chapter 1232, section 1,  
25 subsection 3, is amended to read as follows:

26 3. For deposit in the incentive and efficiency pool  
27 created in the property tax relief fund pursuant to section  
28 426B.5, subsection 2:

29 ..... \$ ~~2,000,000~~  
30 0

31 Sec. 11. 2000 Iowa Acts, chapter 1090, sections 5 and 6,  
32 are repealed.

33 Sec. 12. 2000 Iowa Acts, chapter 1232, sections 6, 7, 8,  
34 9, and 10, are repealed.

35 Sec. 13. EFFECTIVE DATE AND UNOBLIGATED MONEYS BUDGET

1 CERTIFICATION -- RETROACTIVE APPLICABILITY.

2 1. The following sections of this Act, being deemed of  
3 immediate importance, take effect upon enactment:

4 a. The sections of this Act amending Code section 426B.5,  
5 subsections 2 and 3, which are applicable to fiscal years  
6 beginning on or after July 1, 2001.

7 b. The sections of this Act amending 2000 Iowa Acts,  
8 chapter 1232, section 1.

9 c. The sections of this Act amending Code sections  
10 331.424A, 331.427, and 331.438, and repealing 2000 Iowa Acts,  
11 chapter 1090, sections 5 and 6, and 2000 Iowa Acts, chapter  
12 1232, sections 6, 7, 8, 9, and 10. In addition, such sections  
13 are retroactively applicable to April 13, 2000.

14 d. This section.

15 2. Any moneys in the incentive and efficiency pool created  
16 in section 426B.5, subsection 2, that remain unencumbered or  
17 unobligated at the close of the fiscal year beginning July 1,  
18 2000, shall be credited to the appropriation and allocation  
19 for the per capita expenditure target pool for distribution to  
20 counties for fiscal year 2001-2002 made in 2000 Iowa Acts,  
21 chapter 1232, section 1, subsection 2.

22 3. If this Act is enacted on or after March 1, 2001, and a  
23 county projects that the appropriation changes for the  
24 incentive and efficiency and per capita expenditure target  
25 pools in this Act would result in a significant shortfall in  
26 the county's mental health, mental retardation, and  
27 developmental disabilities services fund budget, the county  
28 board of supervisors may request that the state appeals board  
29 modify the county's certified budget. The request must be  
30 submitted to the state appeals board within thirty days of the  
31 effective date of this section. The state appeals board may  
32 accept or reject the request in whole or in part and the  
33 decision is final. If a budget modification is approved, the  
34 department of management shall make the necessary changes in  
35 the services fund budget and certify the modified budget back

1 to the county board of supervisors and the county auditor.  
2 The county auditor shall adjust the levy rates for the  
3 services fund as necessary to implement the modified budget.  
4 All county budget modifications requested in accordance with  
5 this subsection shall be accepted or rejected within sixty  
6 days of the effective date of this Act.

7 EXPLANATION

8 This bill relates to county mental health, mental  
9 retardation, and developmental disabilities (MH/MR/DD)  
10 services provisions involving capital expenditures and the  
11 funding pools within the property tax relief fund used to make  
12 payments to counties for such services expenditures and in  
13 allocations to the funding pools made in appropriations for  
14 fiscal year 2001-2002.

15 The bill repeals provisions in Code sections 331.424A,  
16 331.427, and 331.438 and in 2000 Iowa Acts, chapters 1090 and  
17 1232, that restricted charges to county MH/MR/DD services  
18 funds for capital expenditures. The repeals are retroactively  
19 applicable to April 13, 2000.

20 Effective beginning with fiscal year 2001-2002, Code  
21 section 426B.5, subsection 1, is amended to change the  
22 statewide per capita expenditure target amount for county  
23 MH/MR/DD services from the 75th percentile of all county per  
24 capita expenditures in fiscal year 1997-1998 to the 100th  
25 percentile. The target amount is used in a formula to  
26 distribute moneys to counties that have a per capita  
27 expenditure amount for MH/MR/DD services that is equal to or  
28 less than the target amount. The moneys are distributed from  
29 the per capita expenditure target pool created within the  
30 property tax relief fund for this purpose. The bill strikes  
31 and rewrites the eligibility requirements for the per capita  
32 expenditure target pool, codifying two new eligibility  
33 requirements that were in session law for fiscal year 2001-  
34 2002: the county must have an ending fund balance in the  
35 previous fiscal year that is equal to or less than 35 percent

1 of the county's projected expenditures for the fiscal year and  
2 the county must submit its financial report for the previous  
3 fiscal year by December 1 and meet other financial reporting  
4 requirements. The bill rewrites but retains other existing  
5 eligibility requirements except that the bill would allow  
6 eligibility for those counties whose per capita expenditures  
7 are equal to or less than the statewide per capita expenditure  
8 target. Current law requires the per capita expenditures to  
9 be less than the statewide target.

10 The bill also repeals the incentive and efficiency pool in  
11 the property tax relief fund by striking Code section 426B.5,  
12 subsection 2.

13 Code section 426B.5, subsection 3, relating to the risk  
14 pool within the property tax relief fund, is amended. The  
15 bill defines the term "net expenditure amount" for use in  
16 calculating a county's eligibility status and amount of  
17 assistance that may be provided from the risk pool. The bill  
18 also authorizes risk pool eligibility for a county that  
19 carried forward a low percentage ending balance amount from  
20 the prior fiscal year and has projected that net expenditures  
21 for the current fiscal year will be in excess of 101 percent  
22 of the net amount budgeted.

23 Under current law, a county accessing risk pool assistance  
24 that did not levy the maximum amount authorized by law is  
25 required to repay the assistance over the next two fiscal  
26 years. The bill requires at least 50 percent to be repaid  
27 during the first succeeding fiscal year and the remainder to  
28 be repaid in the second succeeding fiscal year.

29 The bill requires the department of human services to  
30 report financial information annually by March 1 and September  
31 1 to the risk pool board concerning the funding sources the  
32 board oversees.

33 The bill amends allocations made among the funding pools  
34 from the fiscal year 2001-2002 appropriation for distribution  
35 to counties of the county MH/MR/DD services allowed growth

1 factor adjustment. With the bill's elimination of the  
2 statutory provision which created the incentive and efficiency  
3 pool, the bill also eliminates the fiscal year 2001-2002  
4 allocation to that pool and reallocates the moneys to the  
5 statewide per capita expenditure target pool or for  
6 distribution with the general allowed growth moneys.

7 The portions of the bill amending the risk pool Code  
8 provisions and the fiscal year 2001-2002 allocations take  
9 effect upon enactment. The bill also provides, effective upon  
10 enactment, that any moneys remaining unexpended in the  
11 incentive and efficiency pool at the close of fiscal year  
12 2000-2001 are to be distributed in the succeeding fiscal year  
13 based upon each county's proportion of the state's general  
14 population along with the other funds appropriated for  
15 distribution by that formula.

16 In the event the bill is enacted after March 1, 2001, if a  
17 county projects that the changes in the funding pools will  
18 result in a significant shortfall in the county's MH/MR/DD  
19 services fund, the county board of supervisors may request  
20 that the state appeals board make a modification in the  
21 county's certified budget. The request must be submitted  
22 within 30 days of the bill provision's effective date and the  
23 board may accept or reject the request in whole or in part.  
24 If a modification is approved, the budget is to be changed by  
25 the department of management and the budget is to be certified  
26 to the county board and auditor. The review and decision are  
27 to be completed within 60 days of the bill provision's  
28 effective date.

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## HOUSE FILE 727

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1 Amend House File 727 as follows:

2 1. Page 6, by inserting before line 7, the  
3 following:

4 "DIVISION

5 INVOLUNTARY COMMITMENT PLACEMENTS

6 Section 1. Section 229.6A, subsection 2, Code  
7 2001, is amended to read as follows:

8 2. The procedural requirements of this chapter are  
9 applicable to minors involved in hospitalization  
10 proceedings pursuant to subsection 1 and placement  
11 proceedings pursuant to section 229.14B.

12 Sec. \_\_\_\_ Section 229.13, Code 2001, is amended to  
13 read as follows:

14 229.13 EVALUATION ORDER -- ~~OUTPATIENT~~ TREATMENT --  
15 UNAUTHORIZED DEPARTURE OR FAILURE TO APPEAR.

16 ~~If upon completion of the hearing the court finds~~  
17 ~~that the contention that the respondent has a serious~~  
18 ~~mental impairment is sustained by clear and convincing~~  
19 ~~evidence, the court shall order a respondent whose~~  
20 ~~expenses are payable in whole or in part by a county~~  
21 ~~committed to the care of a hospital or facility~~  
22 ~~designated through the single entry point process, and~~  
23 ~~shall order any other respondent committed to the care~~  
24 ~~of a hospital or a facility licensed to care for~~  
25 ~~persons with mental illness or substance abuse or~~  
26 ~~under the care of a facility that is licensed to care~~  
27 ~~for persons with mental illness or substance abuse on~~  
28 ~~an outpatient basis as expeditiously as possible for a~~  
29 ~~complete psychiatric evaluation and appropriate~~  
30 ~~treatment.~~

31 1. If upon completion of the hospitalization  
32 hearing the court finds by clear and convincing  
33 evidence that the respondent has a serious mental  
34 impairment, the court shall order the respondent  
35 committed as expeditiously as possible for a complete  
36 psychiatric evaluation and appropriate treatment as  
37 follows:

38 a. The court shall order a respondent whose  
39 expenses are payable in whole or in part by a county  
40 placed under the care of an appropriate hospital or  
41 facility licensed to care for persons with mental  
42 illness or substance abuse designated through the  
43 single entry point process on an inpatient or  
44 outpatient basis.

45 b. The court shall order any other respondent  
46 placed under the care of an appropriate hospital or  
47 facility licensed to care for persons with mental  
48 illness or substance abuse on an inpatient or  
49 outpatient basis.

50 2. The court shall provide notice to the

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1 respondent and the respondent's attorney of the  
2 placement order under subsection 1. The court shall  
3 advise the respondent and the respondent's attorney  
4 that the respondent has a right to request a placement  
5 hearing held in accordance with the requirements of  
6 section 229.14B.

7 3. If the respondent is ordered at ~~the~~ a hearing  
8 to undergo outpatient treatment, the outpatient  
9 treatment provider must be notified and agree to  
10 provide the treatment prior to placement of the  
11 respondent under the treatment provider's care.

12 4. The court shall furnish to the chief medical  
13 officer of the hospital or facility at the time the  
14 respondent arrives at the hospital or facility for  
15 inpatient or outpatient treatment a written finding of  
16 fact setting forth the evidence on which the finding  
17 is based. If the respondent is ordered to undergo  
18 outpatient treatment, the order shall also require the  
19 respondent to cooperate with the treatment provider  
20 and comply with the course of treatment.

21 5. The chief medical officer of the hospital or  
22 facility at which the respondent is placed shall  
23 report to the court no more than fifteen days after  
24 the individual respondent is admitted to or placed  
25 under the care of the hospital or facility, making a  
26 recommendation for disposition of the matter. An  
27 extension of time may be granted, ~~for~~ not to exceed  
28 seven days upon a showing of cause. A copy of the  
29 report shall be sent to the respondent's attorney, who  
30 may contest the need for an extension of time if one  
31 is requested. ~~Extension~~ An extension of time shall be  
32 granted upon request unless the request is contested,  
33 in which case the court shall make such inquiry as it  
34 deems appropriate and may either order the  
35 respondent's release from the hospital or facility or  
36 grant extension of time for psychiatric evaluation.  
37 If the chief medical officer fails to report to the  
38 court within fifteen days after the individual is  
39 ~~admitted to or placed~~ under the care of the hospital  
40 or facility, and ~~no~~ an extension of time has not been  
41 requested, the chief medical officer is guilty of  
42 contempt and shall be punished under chapter 665. The  
43 court shall order a rehearing on the application to  
44 determine whether the respondent should continue to be  
45 ~~held~~ detained at or placed under the care of the  
46 facility.

47 6. If, after placement ~~and admission~~ of a  
48 respondent in or under the care of a hospital or other  
49 suitable facility for inpatient treatment, the  
50 respondent departs from the hospital or facility or

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1 fails to appear for treatment as ordered without prior  
2 proper authorization from the chief medical officer,  
3 upon receipt of notification of the respondent's  
4 departure or failure to appear by the chief medical  
5 officer, a peace officer of the state shall without  
6 further order of the court exercise all due diligence  
7 to take the respondent into protective custody and  
8 return the respondent to the hospital or facility.

9 Sec. \_\_\_\_\_. Section 229.14, Code 2001, is amended to  
10 read as follows:

11 229.14 CHIEF MEDICAL OFFICER'S REPORT.

12 1. The chief medical officer's report to the court  
13 on the psychiatric evaluation of the respondent shall  
14 be made not later than the expiration of the time  
15 specified in section 229.13. At least two copies of  
16 the report shall be filed with the clerk, who shall  
17 dispose of them in the manner prescribed by section  
18 229.10, subsection 2. The report shall state one of  
19 the four following alternative findings:

20 ~~1-~~ a. That the respondent does not, as of the date  
21 of the report, require further treatment for serious  
22 mental impairment. If the report so states, the court  
23 shall order the respondent's immediate release from  
24 involuntary hospitalization and terminate the  
25 proceedings.

26 ~~2-~~ b. That the respondent is seriously mentally  
27 impaired and in need of full-time custody, care and  
28 inpatient treatment in a hospital, and is considered  
29 likely to benefit from treatment. ~~If the report so~~  
30 ~~states, the court shall enter an order which may~~  
31 ~~require the respondent's continued hospitalization for~~  
32 ~~appropriate treatment.~~ The report shall include the  
33 chief medical officer's recommendation for further  
34 treatment.

35 ~~3-~~ c. That the respondent is seriously mentally  
36 impaired and in need of treatment, but does not  
37 require full-time hospitalization. If the report so  
38 states, it shall include the chief medical officer's  
39 recommendation for treatment of the respondent on an  
40 outpatient or other appropriate basis, ~~and the court~~  
41 ~~shall enter an order which may direct the respondent~~  
42 ~~to submit to the recommended treatment.~~ The order  
43 shall provide that if the respondent fails or refuses  
44 to submit to treatment as directed by the court's  
45 order, the court may order that the respondent be  
46 taken into immediate custody as provided by section  
47 229.11 and, following notice and hearing held in  
48 accordance with the procedures of section 229.12, may  
49 order the respondent treated as a patient requiring  
50 full-time custody, care, and treatment in a hospital

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~~1 until such time as the chief medical officer reports  
2 that the respondent does not require further treatment  
3 for serious mental impairment or has indicated the  
4 respondent is willing to submit to treatment on  
5 another basis as ordered by the court. If a patient  
6 is transferred for treatment to another provider under  
7 this subsection, the treatment provider who will be  
8 providing the outpatient or other appropriate  
9 treatment shall be provided with relevant court orders  
10 by the former treatment provider.~~

11 ~~4. d.~~ The respondent is seriously mentally  
12 impaired and in need of full-time custody and care,  
13 but is unlikely to benefit from further inpatient  
14 treatment in a hospital. ~~If the report so states, the~~  
15 The report shall include the chief medical officer  
16 officer's ~~shall recommend~~ recommendation for an  
17 alternative placement for the respondent and the court  
18 shall enter an order which may direct the respondent's  
19 transfer to the recommended placement.

20 2. Following receipt of the chief medical  
21 officer's report under subsection 1, paragraph "b",  
22 "c", or "d", the court shall issue an order for  
23 appropriate treatment as follows:

24 a. For a respondent whose expenses are payable in  
25 whole or in part by a county, placement as designated  
26 through the single entry point process in the care of  
27 an appropriate hospital or facility on an inpatient or  
28 outpatient basis, or other appropriate treatment, or  
29 in an alternative placement.

30 b. For any other respondent, placement in the care  
31 of an appropriate hospital or facility on an inpatient  
32 or outpatient basis, or other appropriate treatment,  
33 or an alternative placement.

34 c. A For a respondent who is an inmate in the  
35 custody of the department of corrections may, as a  
36 court-ordered alternative placement, the court may  
37 order the respondent to receive mental health services  
38 in a correctional program. If the court or the  
39 respondent's attorney considers the placement  
40 inappropriate, an alternative placement may be  
41 arranged upon consultation with the chief medical  
42 officer and approval of the court.

43 d. If the court orders treatment of the respondent  
44 on an outpatient or other appropriate basis as  
45 described in the chief medical officer's report  
46 pursuant to subsection 1, paragraph "c", the order  
47 shall provide that, should the respondent fail or  
48 refuse to submit to treatment in accordance with the  
49 court's order, the court may order that the respondent  
50 be taken into immediate custody as provided by section

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1 229.11 and, following notice and hearing held in  
2 accordance with the procedures of section 229.12, may  
3 order the respondent treated as on an inpatient basis  
4 requiring full-time custody, care, and treatment in a  
5 hospital until such time as the chief medical officer  
6 reports that the respondent does not require further  
7 treatment for serious mental impairment or has  
8 indicated the respondent is willing to submit to  
9 treatment on another basis as ordered by the court.  
10 If a patient is transferred for treatment to another  
11 provider under this paragraph, the treatment provider  
12 who will be providing the outpatient or other  
13 appropriate treatment shall be provided with relevant  
14 court orders by the former treatment provider.

15 Sec. \_\_\_\_ . Section 229.14A, Code 2001, is amended  
16 to read as follows:

17 229.14A ESCAPE FROM CUSTODY.

18 A person who is placed in a hospital or other  
19 suitable facility for evaluation under section 229.13  
20 or who is required to remain hospitalized for  
21 treatment under section 229.14, ~~subsection 2,~~ shall  
22 remain at that hospital or facility unless discharged  
23 or otherwise permitted to leave by the court or the  
24 chief medical officer of the hospital or facility. If  
25 a person placed at a hospital or facility or required  
26 to remain at a hospital or facility leaves the  
27 facility without permission or without having been  
28 discharged, the chief medical officer may notify the  
29 sheriff of the person's absence and the sheriff shall  
30 take the person into custody and return the person  
31 promptly to the hospital or facility.

32 Sec. \_\_\_\_ . NEW SECTION. 229.14B PLACEMENT ORDER  
33 -- NOTICE AND HEARING.

34 1. With respect to a chief medical officer's  
35 report made pursuant to section 229.14, subsection 1,  
36 paragraph "b", "c", or "d", or any other provision of  
37 this chapter related to involuntary commitment for  
38 which the court issues a placement order or a transfer  
39 of placement is authorized, the court shall provide  
40 notice to the respondent and the respondent's attorney  
41 or mental health advocate pursuant to section 229.19  
42 concerning the placement order and the respondent's  
43 right to request a placement hearing to determine if  
44 the order for placement or transfer of placement is  
45 appropriate.

46 2. The notice shall provide that a request for a  
47 placement hearing must be in writing and filed with  
48 the clerk within seven days of issuance of the  
49 placement order.

50 3. A request for a placement hearing may be signed

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1 by the respondent, the respondent's next friend,  
2 guardian, or attorney.

3 4. The court, on its own motion, may order a  
4 placement hearing to be held.

5 5. a. A placement hearing shall be held no sooner  
6 than four days and no later than seven days after the  
7 request for the placement hearing is filed unless  
8 otherwise agreed to by the parties.

9 b. The respondent may be transferred to the  
10 placement designated by the court's placement order  
11 and receive treatment unless a request for hearing is  
12 filed prior to the transfer. If the request for a  
13 placement hearing is filed prior to the transfer, the  
14 court shall determine where the respondent shall be  
15 detained and treated until the date of the hearing.

16 c. If the respondent's attorney has withdrawn  
17 pursuant to section 229.19, the court shall appoint an  
18 attorney for the respondent in the manner described in  
19 section 229.8, subsection 1.

20 6. Time periods shall be calculated for the  
21 purposes of this section excluding weekends and  
22 official holidays.

23 7. If a respondent's expenses are payable in whole  
24 or in part by a county through the single entry point  
25 process, notice of a placement hearing shall be  
26 provided to the county attorney and the county's  
27 single entry point process administrator. At the  
28 hearing, the county may present evidence regarding  
29 appropriate placement.

30 8. In a placement hearing, the court shall  
31 determine a placement for the respondent in accordance  
32 with the requirements of section 229.23, taking into  
33 consideration the evidence presented by all the  
34 parties.

35 9. A placement made pursuant to an order entered  
36 under section 229.13 or 229.14 or this section shall  
37 be considered to be authorized through the single  
38 entry point process.

39 Sec. \_\_\_\_\_. Section 229.15, subsections 1 through 3,  
40 Code 2001, are amended to read as follows:

41 1. Not more than thirty days after entry of an  
42 order for continued hospitalization of a patient under  
43 section 229.14, subsection 2 1, paragraph "b", and  
44 thereafter at successive intervals of not more than  
45 sixty days continuing so long as involuntary  
46 hospitalization of the patient continues, the chief  
47 medical officer of the hospital shall report to the  
48 court which entered the order. The report shall be  
49 submitted in the manner required by section 229.14,  
50 shall state whether the patient's condition has

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1 improved, remains unchanged, or has deteriorated, and  
2 shall indicate if possible the further length of time  
3 the patient will be required to remain at the  
4 hospital. The chief medical officer may at any time  
5 report to the court a finding as stated in section  
6 229.14, subsection 4 1, and the court shall act  
7 ~~thereon~~ upon the finding as required by ~~that~~ section  
8 229.14, subsection 2.

9 2. Not more than sixty days after the entry of a  
10 court order for treatment of a patient pursuant to a  
11 report issued under section 229.14, subsection 3 1,  
12 paragraph "c", and thereafter at successive intervals  
13 as ordered by the court but not to exceed ninety days  
14 so long as that court order remains in effect, the  
15 medical director of the facility treating the patient  
16 shall report to the court which entered the order.  
17 The report shall state whether the patient's condition  
18 has improved, remains unchanged, or has deteriorated,  
19 and shall indicate if possible the further length of  
20 time the patient will require treatment by the  
21 facility. If at any time the patient without good  
22 cause fails or refuses to submit to treatment as  
23 ordered by the court, the medical director shall at  
24 once so notify the court, which shall order the  
25 patient hospitalized as provided by section 229.14,  
26 subsection 3 2, paragraph "d", unless the court finds  
27 that the failure or refusal was with good cause and  
28 that the patient is willing to receive treatment as  
29 provided in the court's order, or in a revised order  
30 if the court sees fit to enter one. If at any time  
31 the medical director reports to the court that in the  
32 director's opinion the patient requires full-time  
33 custody, care and treatment in a hospital, and the  
34 patient is willing to be admitted voluntarily to the  
35 hospital for these purposes, the court may enter an  
36 order approving hospitalization for appropriate  
37 treatment upon consultation with the chief medical  
38 officer of the hospital in which the patient is to be  
39 hospitalized. If the patient is unwilling to be  
40 admitted voluntarily to the hospital, the procedure  
41 for determining involuntary hospitalization, as set  
42 out in section 229.14, subsection 3 2, paragraph "d",  
43 shall be followed.

44 3. When a patient has been placed in ~~a~~ an  
45 alternative facility other than a hospital pursuant to  
46 a report issued under section 229.14, subsection 4 1,  
47 paragraph "d", a report on the patient's condition and  
48 prognosis shall be made to the court which placed the  
49 patient, at least once every six months, unless the  
50 court authorizes annual reports. If an evaluation of

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1 the patient is performed pursuant to section 227.2,  
2 subsection 4, a copy of the evaluation report shall be  
3 submitted to the court within fifteen days of the  
4 evaluation's completion. The court may in its  
5 discretion waive the requirement of an additional  
6 report between the annual evaluations. If the  
7 administrator exercises the authority to remove  
8 residents from a county care facility or other county  
9 or private institution under section 227.6, the  
10 administrator shall promptly notify each court which  
11 placed in that facility any resident so removed.

12 Sec. \_\_\_\_\_. Section 229.15, subsection 4, Code 2001,  
13 is amended by striking the subsection and inserting in  
14 lieu thereof the following:

15 4. a. When in the opinion of the chief medical  
16 officer the best interest of a patient would be served  
17 by a convalescent or limited leave, the chief medical  
18 officer may authorize the leave and, if authorized,  
19 shall promptly report the leave to the court. When in  
20 the opinion of the chief medical officer the best  
21 interest of a patient would be served by a transfer to  
22 a different hospital for continued full-time custody,  
23 care, and treatment, the chief medical officer shall  
24 promptly send a report to the court. The court shall  
25 act upon the report in accordance with section  
26 229.14B.

27 b. This subsection shall not be construed to add  
28 to or restrict the authority otherwise provided by law  
29 for transfer of patients or residents among various  
30 state institutions administered by the department of  
31 human services. If a patient is transferred under  
32 this subsection, the treatment provider to whom the  
33 patient is transferred shall be provided with copies  
34 of relevant court orders by the former treatment  
35 provider.

36 Sec. \_\_\_\_\_. Section 229.16, Code 2001, is amended to  
37 read as follows:

38 229.16 DISCHARGE AND TERMINATION OF PROCEEDING.  
39 When the condition of a patient who is hospitalized  
40 pursuant to a report issued under section 229.14,  
41 subsection 2 1, paragraph "b", or is receiving  
42 treatment pursuant to a report issued under section  
43 229.14, subsection 3 1, paragraph "c", or is in full-  
44 time care and custody pursuant to a report issued  
45 under section 229.14, subsection 4 1, paragraph "d",  
46 is such that in the opinion of the chief medical  
47 officer the patient no longer requires treatment or  
48 care for serious mental impairment, the chief medical  
49 officer shall tentatively discharge the patient and  
50 immediately report that fact to the court which

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1 ordered the patient's hospitalization or care and  
2 custody. ~~The court shall thereupon~~ Upon receiving the  
3 report, the court shall issue an order confirming the  
4 patient's discharge from the hospital or from care and  
5 custody, as the case may be, and shall terminate the  
6 proceedings pursuant to which the order was issued.  
7 Copies of the order shall be sent by regular mail to  
8 the hospital, the patient, and the applicant if the  
9 applicant has filed a written waiver signed by the  
10 patient.

11 Sec. \_\_\_\_\_. Section 229.17, Code 2001, is amended to  
12 read as follows:

13 229.17 STATUS OF RESPONDENT DURING APPEAL.

14 ~~Where~~ If a respondent appeals to the supreme court  
15 from a finding that the contention the respondent is  
16 seriously mentally impaired has been sustained, and  
17 the respondent was previously ordered taken into  
18 immediate custody under section 229.11 or has been  
19 hospitalized for psychiatric evaluation and  
20 appropriate treatment under section 229.13 before the  
21 court is informed of intent to appeal its finding, the  
22 respondent shall remain in custody as previously  
23 ordered by the court, the time limit stated in section  
24 229.11 notwithstanding, or shall remain in the  
25 hospital subject to compliance by the hospital with  
26 sections 229.13 to 229.16, as the case may be, unless  
27 the supreme court orders otherwise. If a respondent  
28 appeals to the supreme court regarding a placement  
29 order, the respondent shall remain in placement unless  
30 the supreme court orders otherwise.

31 Sec. \_\_\_\_\_. Section 229.21, subsection 3, Code 2001,  
32 is amended by adding the following new paragraph:

33 NEW PARAGRAPH. d. Any respondent with respect to  
34 whom the magistrate or judicial hospitalization  
35 referee has held a placement hearing and has entered a  
36 placement order may appeal the order to a judge of the  
37 district court. The request for appeal must be given  
38 to the clerk in writing within ten days of the entry  
39 of the magistrate's or referee's order. The request  
40 for appeal shall be signed by the respondent, or the  
41 respondent's next friend, guardian, or attorney.

42 Sec. \_\_\_\_\_. Section 229.28, Code 2001, is amended to  
43 read as follows:

44 229.28 HOSPITALIZATION IN CERTAIN FEDERAL  
45 FACILITIES.

46 When a court finds that the contention that a  
47 respondent is seriously mentally impaired has been  
48 sustained or proposes to order continued  
49 hospitalization of any person, or an alternative  
50 placement, as described under section 229.14,

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1 subsection ~~2 or 4~~ 1, paragraph "b" or "d", and the  
2 court is furnished evidence that the respondent or  
3 patient is eligible for care and treatment in a  
4 facility operated by the veterans administration or  
5 another agency of the United States government and  
6 that the facility is willing to receive the respondent  
7 or patient, the court may so order. The respondent or  
8 patient, when so hospitalized or placed in a facility  
9 operated by the veterans administration or another  
10 agency of the United States government within or  
11 outside of this state, shall be subject to the rules  
12 of the veterans administration or other agency, but  
13 shall not thereby lose any procedural rights afforded  
14 the respondent or patient by this chapter. The chief  
15 officer of the facility shall have, with respect to  
16 the person so hospitalized or placed, the same powers  
17 and duties as the chief medical officer of a hospital  
18 in this state would have in regard to submission of  
19 reports to the court, retention of custody, transfer,  
20 convalescent leave or discharge. Jurisdiction is  
21 retained in the court to maintain surveillance of the  
22 person's treatment and care, and at any time to  
23 inquire into that person's mental condition and the  
24 need for continued hospitalization or care and  
25 custody.

26 Sec. \_\_\_\_ . CODIFICATION. The Code editor shall  
27 transfer section 229.14A, Code 2001, as amended by  
28 this Act to section 229.14B, and shall codify section  
29 229.14B, as enacted by this Act, as section 229.14A.

## DIVISION

## RELATED PROVISIONS

32 Sec. \_\_\_\_ . Section 225.27, Code 2001, is amended to  
33 read as follows:

34 225.27 DISCHARGE -- TRANSFER.

35 The state psychiatric hospital may, at any time,  
36 discharge any patient as recovered, as improved, or as  
37 not likely to be benefited by further treatment. If  
38 the patient being so discharged was involuntarily  
39 hospitalized, the hospital shall notify the committing  
40 judge or court ~~thereof~~ of the discharge as required by  
41 section 229.14, ~~subsection 3~~ or section 229.16,  
42 whichever is applicable. Upon receiving the  
43 notification, the court shall issue an order  
44 confirming the patient's discharge from the hospital  
45 or from care and custody, as the case may be, and  
46 shall terminate the proceedings pursuant to which the  
47 order was issued. The court or judge shall, if  
48 necessary, appoint ~~some~~ a person to accompany the  
49 discharged patient from the state psychiatric hospital  
50 to such place as the hospital or the court may

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1 designate, or authorize the hospital to appoint such  
2 attendant.

3 Sec. \_\_\_\_\_. Section 226.26, Code 2001, is amended to  
4 read as follows:

5 226.26 DANGEROUS PATIENTS.

6 The administrator, on the recommendation of the  
7 superintendent, and on the application of the  
8 relatives or friends of a patient who is not cured and  
9 who cannot be safely allowed to go at liberty, may  
10 release ~~such~~ the patient when fully satisfied that  
11 ~~such the~~ relatives or friends will provide and  
12 maintain all necessary supervision, care, and  
13 restraint over ~~such the~~ patient. If the patient being  
14 ~~so~~ released was involuntarily hospitalized, the  
15 consent of the district court which ordered the  
16 patient's hospitalization placement shall be obtained  
17 in advance in substantially the manner prescribed by  
18 section 229.14, ~~subsection 3~~.

19 Sec. \_\_\_\_\_. Section 226.33, Code 2001, is amended to  
20 read as follows:

21 226.33 NOTICE TO COURT.

22 When a patient who was hospitalized involuntarily  
23 and who has not fully recovered is discharged from the  
24 hospital by the administrator under section 226.32,  
25 notice of the order shall at once be sent to the court  
26 which ordered the patient's hospitalization, in the  
27 manner prescribed by section 229.14, ~~subsection 4~~.

28 Sec. \_\_\_\_\_. Section 227.11, Code 2001, is amended to  
29 read as follows:

30 227.11 TRANSFERS FROM STATE HOSPITALS.

31 A county chargeable with the expense of a patient  
32 in a state hospital for persons with mental illness  
33 shall ~~remove such~~ facilitate the transfer of the  
34 patient to a county or private institution for persons  
35 with mental illness ~~which has complied that is in~~  
36 compliance with the aforesaid applicable rules when  
37 the administrator of the division or the  
38 administrator's designee ~~so~~ orders the transfer on a  
39 finding that ~~said the~~ patient is suffering from  
40 chronic mental illness or from senility and will  
41 receive equal benefit by being so transferred. A  
42 county shall ~~remove~~ facilitate the transfer to its  
43 county care facility of any patient in a state  
44 hospital for persons with mental illness upon request  
45 of the superintendent of the state hospital in which  
46 the patient is confined pursuant to the  
47 superintendent's authority under section 229.15,  
48 subsection 4, and approval by the board of supervisors  
49 of the county of the patient's residence. In no case  
50 shall a patient be thus transferred except upon

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1 compliance with section 229.14, ~~subsection 4,~~ 229.14B  
2 or without the written consent of a relative, friend,  
3 or guardian if such relative, friend, or guardian pays  
4 the expense of the care of such patient in a state  
5 hospital. Patients transferred to a public or private  
6 facility under this section may subsequently be placed  
7 on convalescent or limited leave or transferred to a  
8 different facility for continued full-time custody,  
9 care, and treatment when, in the opinion of the  
10 attending physician or the chief medical officer of  
11 the hospital from which the patient was so  
12 transferred, the best interest of the patient would be  
13 served by such leave or transfer. ~~However, if the~~  
14 ~~patient was originally hospitalized involuntarily, the~~  
15 ~~leave or transfer shall be made in compliance with~~  
16 ~~section 229.15, subsection 4.~~ For any patient who is  
17 involuntarily committed, any transfer made under this  
18 section is subject to the placement hearing  
19 requirements of section 229.14B."

20 2. Title page, line 4, by inserting after the  
21 word "expenditures" the following: "and placements of  
22 persons with serious mental impairments and".

23 3. By renumbering as necessary.

By CARROLL of Poweshiek  
HUSER of Polk

**H-1639** FILED APRIL 23, 2001

*Adopted*  
*4-26-01*  
*(P. 1594)*

## HOUSE FILE 727

H-1675

1 Amend House File 727 as follows:

2 1. Page 6, by inserting after line 6, the  
3 following:

4 "DIVISION \_\_\_\_\_

5 COUNTY BILLING RESPONSIBILITIES

6 Sec. \_\_\_\_\_. Section 222.2, Code 2001, is amended by  
7 adding the following new subsection:

8 NEW SUBSECTION. 2A. "Department" means the  
9 department of human services.

10 Sec. \_\_\_\_\_. Section 222.73, subsection 1, unnumbered  
11 paragraph 1, Code 2001, is amended to read as follows:

12 The superintendent of each resource center and  
13 special unit shall compute by February 1 the average  
14 daily patient charge and outpatient treatment charges  
15 for which each county will be billed for services  
16 provided to patients chargeable to the county during  
17 the fiscal year beginning the following July 1. The  
18 department shall certify the amount of the charges ~~to~~  
19 ~~the director of revenue and finance~~ and notify the  
20 counties of the billing charges.

21 Sec. \_\_\_\_\_. Section 222.73, subsection 2, unnumbered  
22 paragraph 1, Code 2001, is amended to read as follows:

23 The superintendent shall certify to the ~~director of~~  
24 ~~revenue and finance~~ department the billings to each  
25 county for services provided to patients chargeable to  
26 the county during the preceding calendar quarter. The  
27 county billings shall be based on the average daily  
28 patient charge and outpatient treatment charges  
29 computed pursuant to subsection 1, and the number of  
30 inpatient days and outpatient treatment service units  
31 chargeable to the county. The billings to a county of  
32 legal settlement are subject to adjustment for all of  
33 the following circumstances:

34 Sec. \_\_\_\_\_. Section 222.73, subsection 4, Code 2001,  
35 is amended to read as follows:

36 4. The department shall certify to ~~the director of~~  
37 ~~revenue and finance~~ and the counties by February 1 the  
38 actual per-patient-per-day costs, as computed pursuant  
39 to subsection 3, and the actual costs owed by each  
40 county for the immediately preceding calendar year for  
41 patients chargeable to the county. If the actual  
42 costs owed by the county are greater than the charges  
43 billed to the county pursuant to subsection 2, the  
44 ~~director of revenue and finance~~ department shall bill  
45 the county for the difference with the billing for the  
46 quarter ending June 30. If the actual costs owed by  
47 the county are less than the charges billed to the  
48 county pursuant to subsection 2, the ~~director of~~  
49 ~~revenue and finance~~ department shall credit the county  
50 for the difference starting with the billing for the

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1 quarter ending June 30.

2 Sec. \_\_\_\_ . Section 222.74, Code 2001, is amended to  
3 read as follows:

4 222.74 DUPLICATE TO COUNTY.

5 When certifying to the ~~director of revenue and~~  
6 ~~finance department~~ amounts to be charged against each  
7 county as provided in section 222.73, the  
8 superintendent shall send to the county auditor of  
9 each county against which the superintendent has so  
10 certified any amount, a duplicate of the ~~certificate~~  
11 certification statement. The county auditor upon  
12 receipt of the duplicate ~~certificate certification~~  
13 statement shall enter it to the credit of the state in  
14 the ledger of state accounts, and shall immediately  
15 issue a notice to the county treasurer authorizing the  
16 treasurer to transfer the amount from the county fund  
17 to the general state revenue. The county treasurer  
18 shall file the notice as authority for making the  
19 transfer and shall include the amount transferred in  
20 the next remittance of state taxes to the treasurer of  
21 state, designating the fund to which the amount  
22 belongs.

23 Sec. \_\_\_\_ . Section 222.75, Code 2001, is amended to  
24 read as follows:

25 222.75 DELINQUENT PAYMENTS -- PENALTY.

26 ~~Should any If a county fail fails~~ to pay ~~the bills~~  
27 a billed charge within forty-five days from the date  
28 the county auditor received the ~~certificate~~  
29 certification statement from the superintendent  
30 pursuant to section 222.74, the ~~director of revenue~~  
31 ~~and finance department~~ may charge the delinquent  
32 county a penalty of not greater than one percent per  
33 month on and after forty-five days from the date the  
34 county auditor received the ~~certificate certification~~  
35 statement until paid.

36 Sec. \_\_\_\_ . Section 222.79, Code 2001, is amended to  
37 read as follows:

38 222.79 CERTIFICATION STATEMENT PRESUMED CORRECT.

39 In actions to enforce the liability imposed by  
40 section 222.78, the ~~certificate certification~~  
41 statement sent from the superintendent to the county  
42 auditor pursuant to section 222.74 stating the sums  
43 charged in such cases shall be presumptively correct.

44 Sec. \_\_\_\_ . Section 229.41, Code 2001, is amended to  
45 read as follows:

46 229.41 VOLUNTARY ADMISSION.

47 Persons making application pursuant to section  
48 229.2 on their own behalf or on behalf of another  
49 person who is under eighteen years of age, if the  
50 person whose admission is sought is received for

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1 observation and treatment on the application, shall be  
2 required to pay the costs of hospitalization at rates  
3 established by the administrator. The costs may be  
4 collected weekly in advance and shall be payable at  
5 the business office of the hospital. The collections  
6 shall be remitted to the ~~director of revenue and~~  
7 ~~finance~~ department of human services monthly to be  
8 credited to the general fund of the state.

9 Sec. \_\_\_\_ . Section 229.42, Code 2001, is amended to  
10 read as follows:

11 229.42 COSTS PAID BY COUNTY.

12 If a person wishing to make application for  
13 voluntary admission to a mental hospital established  
14 by chapter 226 is unable to pay the costs of  
15 hospitalization or those responsible for the person  
16 are unable to pay the costs, application for  
17 authorization of voluntary admission must be made  
18 through a single entry point process before  
19 application for admission is made to the hospital.  
20 The person's county of legal settlement shall be  
21 determined through the single entry point process and  
22 if the admission is approved through the single entry  
23 point process, the person's admission to a mental  
24 health hospital shall be authorized as a voluntary  
25 case. The authorization shall be issued on forms  
26 provided by the administrator. The costs of the  
27 hospitalization shall be paid by the county of legal  
28 settlement to the ~~director of revenue and finance~~  
29 department of human services and credited to the  
30 general fund of the state, providing the mental health  
31 hospital rendering the services has certified to the  
32 county auditor of the county of legal settlement the  
33 amount chargeable to the county and has sent a  
34 duplicate statement of the charges to the ~~director of~~  
35 ~~revenue and finance~~ department of human services. A  
36 county shall not be billed for the cost of a patient  
37 unless the patient's admission is authorized through  
38 the single entry point process. The mental health  
39 institute and the county shall work together to locate  
40 appropriate alternative placements and services, and  
41 to educate patients and family members of patients  
42 regarding such alternatives.

43 All the provisions of chapter 230 shall apply to  
44 such voluntary patients so far as is applicable.

45 The provisions of this section and of section  
46 229.41 shall apply to all voluntary inpatients or  
47 outpatients either away from or at the institution  
48 ~~heretofore or hereafter~~ receiving mental health  
49 services.

~~Should any~~ If a county fail fails to pay these

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1 ~~bills~~ the billed charges within forty-five days from  
2 the date the county auditor received the ~~certificate~~  
3 certification statement from the superintendent, the  
4 ~~director of revenue and finance~~ department of human  
5 services shall charge the delinquent county the  
6 penalty of one percent per month on and after forty-  
7 five days from the date the county received the  
8 ~~certificate certification statement~~ until paid. ~~Such~~  
9 The penalties received shall be credited to the  
10 general fund of the state.

11 Sec. \_\_\_\_\_. Section 230.20, subsection 1, unnumbered  
12 paragraph 1, Code 2001, is amended to read as follows:

13 The superintendent of each mental health institute  
14 shall compute by February 1 the average daily patient  
15 charges and other service charges for which each  
16 county will be billed for services provided to  
17 patients chargeable to the county during the fiscal  
18 year beginning the following July 1. The department  
19 shall certify the amount of the charges ~~to the~~  
20 ~~director of revenue and finance~~ and notify the  
21 counties of the billing charges.

22 Sec. \_\_\_\_\_. Section 230.20, subsection 2, paragraph  
23 a, Code 2001, is amended to read as follows:

24 a. The superintendent shall certify to the  
25 ~~director of revenue and finance~~ department the  
26 billings to each county for services provided to  
27 patients chargeable to the county during the preceding  
28 calendar quarter. The county billings shall be based  
29 on the average daily patient charge and other service  
30 charges computed pursuant to subsection 1, and the  
31 number of inpatient days and other service units  
32 chargeable to the county. However, a county billing  
33 shall be decreased by an amount equal to reimbursement  
34 by a third party payor or estimation of such  
35 reimbursement from a claim submitted by the  
36 superintendent to the third party payor for the  
37 preceding calendar quarter. When the actual third  
38 party payor reimbursement is greater or less than  
39 estimated, the difference shall be reflected in the  
40 county billing in the calendar quarter the actual  
41 third party payor reimbursement is determined.

42 Sec. \_\_\_\_\_. Section 230.20, subsections 4 and 5,  
43 Code 2001, are amended to read as follows:

44 4. The department shall certify to the ~~director of~~  
45 ~~revenue and finance and the~~ counties by February 1 the  
46 actual per-patient-per-day costs, as computed pursuant  
47 to subsection 3, and the actual costs owed by each  
48 county for the immediately preceding calendar year for  
49 patients chargeable to the county. If the actual  
50 costs owed by the county are greater than the charges

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1 billed to the county pursuant to subsection 2, the  
2 ~~director of revenue and finance department~~ shall bill  
3 the county for the difference with the billing for the  
4 quarter ending June 30. If the actual costs owed by  
5 the county are less than the charges billed to the  
6 county pursuant to subsection 2, the ~~director of~~  
7 ~~revenue and finance department~~ shall credit the county  
8 for the difference starting with the billing for the  
9 quarter ending June 30.

10 5. An individual statement shall be prepared for a  
11 patient on or before the fifteenth day of the month  
12 following the month in which the patient leaves the  
13 mental health institute, and a general statement shall  
14 be prepared at least quarterly for each county to  
15 which charges are made under this section. Except as  
16 otherwise required by sections 125.33 and 125.34 the  
17 general statement shall list the name of each patient  
18 chargeable to that county who was served by the mental  
19 health institute during the preceding month or  
20 calendar quarter, the amount due on account of each  
21 patient, and the specific dates for which any third  
22 party payor reimbursement received by the state is  
23 applied to the statement and billing, and the county  
24 shall be billed for eighty percent of the stated  
25 charge for each patient specified in this subsection.  
26 The statement prepared for each county shall be  
27 certified by the department ~~to the director of revenue~~  
28 ~~and finance~~ and a duplicate statement shall be mailed  
29 to the auditor of that county.

30 Sec. \_\_\_\_ . Section 230.22, Code 2001, is amended to  
31 read as follows:

32 230.22 PENALTY.

33 Should any county fail to pay the amount billed by  
34 a statement submitted pursuant to section 230.20  
35 within forty-five days from the date the statement is  
36 received by the county, the ~~director of revenue and~~  
37 ~~finance department~~ shall charge the delinquent county  
38 the penalty of one percent per month on and after  
39 forty-five days from the date the statement is  
40 received by the county until paid. Provided, however,  
41 that the penalty shall not be imposed if the county  
42 has notified the ~~director of revenue and finance~~  
43 ~~department~~ of error or questionable items in the  
44 billing, in which event, the ~~director of revenue and~~  
45 ~~finance department~~ shall suspend the penalty only  
46 during the period of negotiation.

47 Sec. \_\_\_\_ . Section 230.34, Code 2001, is amended by  
48 adding the following new subsection:

49 NEW SUBSECTION. 4. As used in this chapter,  
50 unless the context otherwise requires, "department"

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1 means the department of human services."

2 2. By renumbering as necessary.

**By** CARROLL of Poweshiek

**H-1675** FILED APRIL 24, 2001

*Adopted*  
*4/26/01*  
*(P. 1593)*

## HOUSE FILE 727

H-1681

1 Amend House File 727 as follows:

2 1. Page 6, by inserting after line 6 the  
3 following:

4 "DIVISION  
5 BILLING DATA

6 Sec. \_\_\_\_ . Section 222.73, Code 2001, is amended by  
7 adding the following new subsection:

8 NEW SUBSECTION. 6. The department shall provide a  
9 county with the data set as described in section  
10 331.440, subsection 1, and other information, which is  
11 not otherwise confidential under law, in the  
12 department's possession concerning a patient whose  
13 cost of care is chargeable to the county. The cost of  
14 care shall not be chargeable without provision of the  
15 data set.

16 Sec. \_\_\_\_ . Section 230.20, subsection 8, Code 2001,  
17 is amended to read as follows:

18 8. The department shall provide a county with the  
19 data set as described in section 331.440, subsection  
20 1, and other information, which is not otherwise  
21 confidential under law, in the department's possession  
22 concerning a patient whose cost of care is chargeable  
23 to the county, including but not limited to the  
24 information specified in section 229.24, subsection 3.  
25 The cost of care shall not be chargeable without  
26 provision of the data set.

27 Sec. \_\_\_\_ . Section 249A.26, Code 2001, is amended  
28 by adding the following new subsection:

29 NEW SUBSECTION. 4. The department shall provide a  
30 county with the data set as described in section  
31 331.440, subsection 1, and other information, which is  
32 not otherwise confidential under law, in the  
33 department's possession concerning an individual for  
34 whom the nonfederal share of the cost of care is  
35 chargeable to the county. The cost of care shall not  
36 be chargeable without provision of the data set.

37 Sec. \_\_\_\_ . Section 331.440, subsection 1, paragraph  
38 c, Code 2001, is amended to read as follows:

39 c. The single entry point and clinical assessment  
40 process shall include provision for the county's  
41 participation in a management information system  
42 developed in accordance with rules adopted pursuant to  
43 subsection 3 4. The management information system  
44 shall include standardization of a minimum data set  
45 concerning the persons receiving services through the  
46 single entry point process. The data set shall  
47 incorporate administrative information as defined in  
48 section 228.1 and information that is not otherwise  
49 confidential under law. The data set shall be  
50 provided by the state and by counties as part of

H-1681

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Page 2

1 billing for services provided to a person.  
2     Sec. 100. DISPUTED BILLINGS.  
3     1. To the extent allowable under federal law or  
4 regulation, if the costs of a service are payable in  
5 whole or in part by a county in accordance with a  
6 chapter of the Code listed in this section, the  
7 service was rendered prior to July 1, 1997, and the  
8 county that would be obligated to pay for the costs of  
9 the service has not been billed for the service or has  
10 disputed the billing prior to the effective date of  
11 this section, or the state has fully charged off the  
12 cost of the service to an appropriation made in a  
13 prior fiscal year or has not provided the data set as  
14 described in section 331.440, subsection 1, as amended  
15 by this Act, or other information to appropriately  
16 document the basis for the billing, the county shall  
17 have no obligation to pay for the service.  
18     2. This section is applicable to service costs  
19 that are a county obligation under the following  
20 chapters of the Code:  
21     a. Chapter 222.  
22     b. Chapter 230.  
23     c. Chapter 249A.  
24     Sec. \_\_\_\_ . EFFECTIVE DATE -- APPLICABILITY. This  
25 division of this Act, being deemed of immediate  
26 importance, takes effect upon enactment. Section 100  
27 of this division of this Act, relating to disputed  
28 billings, is applicable to billings for services  
29 provided prior to July 1, 1997, and the remainder of  
30 this division of this Act is applicable to billings  
31 for services provided on or after July 1, 1997."  
32     2. Title page, line 5, by inserting after the  
33 word "dates" the following: "and an applicability  
34 provision".  
35     3. By renumbering as necessary.

By CARROLL of Poweshiek

H-1681 FILED APRIL 24, 2001

W/D  
4/26/01  
(P. 1593)

HOUSE FILE 727

H-1691

- 1 Amend House File 727 as follows:
- 2 1. Page 1, by inserting before line 1 the
- 3 following:
- 4 "DIVISION I
- 5 ALLOWED GROWTH FUNDING POOLS"
- 6 2. By striking page 1, line 35 through page 2,
- 7 line 5 and inserting the following:
- 8 " (3) In the fiscal year that commenced two years
- 9 prior to the fiscal year of distribution, the county's
- 10 mental health, mental retardation, and developmental
- 11 disabilities services fund ending balance under
- 12 generally accepted accounting principles was equal to
- 13 or less than twenty-five percent of the county's
- 14 actual gross expenditures for the fiscal year that
- 15 commenced two years prior to the fiscal year of
- 16 distribution."
- 17 3. Page 4, by striking lines 16 through 30.
- 18 4. Page 5, line 2, by inserting before the word
- 19 "Act" the following: "division of this".
- 20 5. Page 5, line 4, by inserting before the word
- 21 "Act" the following: "division of this".
- 22 6. Page 5, by striking lines 7 and 8.
- 23 7. Page 5, line 9, by inserting before the word
- 24 "Act" the following: "division of this".
- 25 8. By striking page 5, line 22, through page 6,
- 26 line 6.
- 27 9. Title page, by striking lines 1 through 3 and
- 28 inserting the following: "An Act relating to mental
- 29 health, mental retardation, and developmental
- 30 disabilities service provisions, including county
- 31 funding".
- 32 10. Title page, line 4, by striking the words
- 33 "relief fund".
- 34 11. By renumbering as necessary.

By CARROLL of Poweshiek

H-1691 FILED APRIL 24, 2001

*Adopted*

*(p. 1575) 4-26-01*

## HOUSE FILE 727

H-1695

1 Amend House File 727 as follows:

2 1. Page 6, by inserting before line 7 the  
3 following:

4 "DIVISION

5 ACCREDITATION STANDARDS

6 Sec. \_\_\_\_ . Section 225C.6, subsection 1, paragraph  
7 e, Code 2001, is amended to read as follows:

8 e. ~~If no other person~~ Unless another governmental  
9 body sets standards for a service available to persons  
10 with disabilities, adopt state standards for that  
11 service. The commission shall provide that a service  
12 provider's compliance with standards for a service set  
13 by a nationally recognized body shall be deemed to be  
14 in compliance with the state standards adopted by the  
15 commission for that service. The commission shall  
16 adopt state standards for those residential and  
17 community-based providers of services to persons with  
18 mental illness or developmental disabilities that are  
19 not otherwise subject to licensure by the department  
20 of human services or department of inspections and  
21 appeals, including but not limited to services payable  
22 under the adult rehabilitation option of the medical  
23 assistance program and other services payable from  
24 funds credited to a county mental health, mental  
25 retardation, and developmental disabilities services  
26 fund created in section 331.424A. In addition, the  
27 commission shall review the licensing standards used  
28 by the department of human services or department of  
29 inspections and appeals for those facilities providing  
30 services to persons with mental illness or  
31 developmental disabilities."

32 2. By renumbering as necessary.

By GRUNDBERG of Polk  
CARROLL of Poweshiek

H-1695 FILED APRIL 25, 2001

*Adopted  
4/26/01  
(P. 1594)*

## HOUSE FILE 727

H-1718

1 Amend House File 727 as follows:

2 1. Page 6, by inserting after line 6 the  
3 following:

4 "DIVISION

5 DISPUTED BILLINGS

6 Sec. \_\_\_\_ . DISPUTED BILLINGS.

7 1. To the extent allowable under federal law or  
8 regulation, if the costs of a service are payable in  
9 whole or in part by a county in accordance with a  
10 chapter of the Code listed in this section, the  
11 service was rendered prior to July 1, 1997, and the  
12 county that would be obligated to pay for the costs of  
13 the service has not been billed for the service or has  
14 disputed the billing prior to the effective date of  
15 this section, or the state has fully charged off the  
16 cost of the service to an appropriation made in a  
17 prior fiscal year or has not provided information to  
18 appropriately document the basis for the billing, the  
19 county shall have no obligation to pay for the  
20 service.

21 2. This section is applicable to service costs  
22 that are a county obligation under the following  
23 chapters of the Code:

24 a. Chapter 222.

25 b. Chapter 230.

26 c. Chapter 249A.

27 Sec. \_\_\_\_ . EFFECTIVE DATE -- APPLICABILITY. This  
28 division of this Act, being deemed of immediate  
29 importance, takes effect upon enactment."

30 2. By renumbering as necessary.

By CARROLL of Poweshiek

H-1718 FILED APRIL 25, 2001

*Adopted*  
*4-26-01*  
*(P. 1576)*

HOUSE FILE 727

H-1734

1 Amend the amendment, H-1639, to House File 727, as  
 2 follows:  
 3 1. Page 6, by inserting after line 38, the  
 4 following:  
 5 "Sec. \_\_\_\_ . NEW SECTION. 229.14C COURT ORDER  
 6 COMPLIANCE.  
 7 A county shall comply with a court order regarding  
 8 location or duration of placement or transfer of  
 9 placement of a respondent."  
 10 2. By renumbering as necessary.

By KREIMAN of Davis

H-1734 FILED APRIL 26, 2001

*W/P  
4/26/01 p. 1594*

HOUSE FILE 727

H-1735

1 Amend the amendment, H-1639, to House File 727 as  
 2 follows:  
 3 1. Page 1, by striking lines 41 and 42 and  
 4 inserting the following: "facility designated through  
 5 the".  
 6 2. Page 4, line 17, by inserting before the word  
 7 "alternative" the following: "appropriate".  
 8 3. Page 4, line 29, by inserting before the word  
 9 "alternative" the following: "appropriate".  
 10 4. Page 4, line 33, by inserting before the word  
 11 "alternative" the following: "appropriate".  
 12 5. Page 11, line 33, by striking the words  
 13 "facilitate the transfer of the" and inserting the  
 14 following: "transfer the".  
 15 6. Page 11, by striking lines 42 and 43 and  
 16 inserting the following: "county shall ~~remove~~  
 17 transfer to its county care facility any patient in a  
 18 state".

By KREIMAN of Davis  
CARROLL of Poweshiek  
HUSER of Polk

H-1735 FILED APRIL 26, 2001

*Adopted  
4/26/01 (p. 1588)*

5-4/30/01 Do Pass

HOUSE FILE 727  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 671)  
(SUCCESSOR TO HF 523)

(As Amended and Passed by the House April 26, 2001)

Passed House, (P.1595) Date 4/26/01 Passed Senate, Date 5/7/01 (P.1553)  
Vote: Ayes 92 Nays 3 Vote: Ayes 47 Nays 0  
Approved May 21, 2001

A BILL FOR

1 An Act relating to mental health, mental retardation, and  
2 developmental disabilities service provisions, including  
\*3 county funding for such services expenditures and placements  
4 of persons with serious mental impairments and providing  
5 effective and retroactive applicability dates.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

7  
8 House Amendments \_\_\_\_\_  
9 Deleted Language \*

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20

1 DIVISION I

2 ALLOWED GROWTH FUNDING POOLS

3 Section 1. Section 331.424A, subsection 6, Code 2001, is  
4 amended by striking the subsection.

5 Sec. 2. Section 331.427, subsection 2, paragraph n, Code  
6 2001, is amended by striking the paragraph.

7 Sec. 3. Section 331.438, subsection 1, paragraph a,  
8 unnumbered paragraph 2, Code 2001, is amended by striking the  
9 unnumbered paragraph.

10 Sec. 4. Section 426B.5, subsection 1, paragraphs b, c, and  
11 d, Code 2001, are amended to read as follows:

12 b. A statewide per capita expenditure target amount is  
13 established. The statewide per capita expenditure target  
14 amount shall be equal to the seventy-fifth one-hundredth  
15 percentile of all county per capita expenditures in the fiscal  
16 year beginning July 1, 1997, and ending June 30, 1998.

17 ~~c. Only a county levying the maximum amount allowed for~~  
18 ~~the county's mental health, mental retardation, and~~  
19 ~~developmental disabilities services fund under section~~  
20 ~~331.424A is eligible to receive moneys from the per capita~~  
21 ~~expenditure target pool for a fiscal year. Moneys available~~  
22 ~~in the pool for a fiscal year shall be distributed to those~~  
23 ~~eligible counties whose per capita expenditure in the latest~~  
24 ~~fiscal year for which the actual expenditure information is~~  
25 ~~available is less than the statewide per capita expenditure~~  
26 ~~target amount. Moneys available in the per capita expenditure~~  
27 pool for a fiscal year shall be distributed to those counties  
28 who meet all of the following eligibility requirements:

29 (1) The county is levying the maximum amount allowed for  
30 the county's mental health, mental retardation, and  
31 developmental disabilities services fund under section  
32 331.424A.

33 (2) The county's per capita expenditure in the latest  
34 fiscal year for which the actual expenditure information is  
35 available is equal to or less than the statewide per capita

1 expenditure target amount.

2 (3) In the fiscal year that commenced two years prior to  
3 the fiscal year of distribution, the county's mental health,  
4 mental retardation, and developmental disabilities services  
5 fund ending balance under generally accepted accounting  
6 principles was equal to or less than twenty-five percent of  
7 the county's actual gross expenditures for the fiscal year  
8 that commenced two years prior to the fiscal year of  
9 distribution.

10 (4) The county is in compliance with the filing date  
11 requirements under section 331.403.

12 d. The distribution amount a county receives from the  
13 moneys available in the pool shall be determined based upon  
14 the county's proportion of the general population of the  
15 counties eligible to receive moneys from the pool for that  
16 fiscal year. However, a county shall not receive moneys in  
17 excess of the amount which would cause the county's per capita  
18 expenditure to ~~equal~~ exceed the statewide per capita  
19 expenditure target. Moneys credited to the per capita  
20 expenditure target pool which remain unobligated or unexpended  
21 at the close of a fiscal year shall remain in the pool for  
22 distribution in the succeeding fiscal year.

23 Sec. 5. Section 426B.5, subsection 2, Code 2001, is  
24 amended by striking the subsection.

25 Sec. 6. Section 426B.5, subsection 3, Code 2001, is  
26 amended by adding the following new paragraph before paragraph  
27 a and relettering the subsequent paragraphs:

28 NEW PARAGRAPH. 0a. For the purposes of this subsection,  
29 unless the context otherwise requires:

30 (1) "Net expenditure amount" means a county's gross  
31 expenditures from the services fund for a fiscal year as  
32 adjusted by subtracting all services fund revenues for that  
33 fiscal year that are received from a source other than  
34 property taxes, as calculated on a modified accrual basis.

35 (2) "Services fund" means a county's mental health, mental

1 retardation, and developmental disabilities services fund  
2 created in section 331.424A.

3 Sec. 7. Section 426B.5, subsection 3, paragraph c,  
4 subparagraphs (1), (2), and (4), Code 2001, are amended to  
5 read as follows:

6 (1) A county must apply to the board for assistance from  
7 the risk pool on or before April 1 to cover an unanticipated  
8 ~~cost~~ net expenditure amount in excess of the county's current  
9 fiscal year ~~budget~~ budgeted net expenditure amount for the  
10 county's ~~mental-health, mental-retardation, and developmental~~  
11 ~~disabilities~~ services fund. For purposes of applying for risk  
12 pool assistance and for repaying unused risk pool assistance,  
13 the current fiscal year ~~budget~~ budgeted net expenditure amount  
14 shall be deemed to be the higher of either the ~~budget~~ budgeted  
15 net expenditure amount in the management plan approved under  
16 section 331.439 for the fiscal year in which the application  
17 is made or the prior fiscal year's ~~gross-expenditures-from-the~~  
18 ~~services-fund~~ net expenditure amount.

19 (2) Basic eligibility for risk pool assistance shall  
20 require a projected ~~need~~ net expenditure amount in excess of  
21 the sum of one hundred five percent of the county's current  
22 fiscal year ~~budget~~ budgeted net expenditure amount and any  
23 amount of the county's prior fiscal year ending fund balance  
24 in excess of twenty-five percent of the county's gross  
25 expenditures from the services fund in the prior fiscal year.  
26 However, if a county's services fund ending balance in the  
27 previous fiscal year was less than ten percent of the amount  
28 of the county's gross expenditures from the services fund for  
29 that fiscal year and the county has a projected net  
30 expenditure amount for the current fiscal year that is in  
31 excess of one hundred one percent of the budgeted net  
32 expenditure amount for the current fiscal year, the county  
33 shall be considered to have met the basic eligibility  
34 requirement and is qualified for risk pool assistance.

35 (4) A county receiving risk pool assistance in a fiscal

1 year in which the county did not levy the maximum amount  
2 allowed for the county's ~~mental-health, mental-retardation,~~  
3 ~~and-developmental-disabilities~~ services fund under section  
4 331.424A shall be required to repay the risk pool assistance  
5 during the two succeeding fiscal years. The repayment amount  
6 shall be limited to the amount by which the actual amount  
7 levied was less than the maximum amount allowed, with at least  
8 fifty percent due in the first succeeding fiscal year and the  
9 remainder due in the second succeeding fiscal year.

10 Sec. 8. Section 426B.5, subsection 3, Code 2001, is  
11 amended by adding the following new paragraph:

12 NEW PARAGRAPH. f. On or before March 1 and September 1 of  
13 each fiscal year, the department of human services shall  
14 provide the risk pool board with a report of the financial  
15 condition of each funding source administered by the board.  
16 The report shall include but is not limited to an itemization  
17 of the funding source's balances, types and amount of revenues  
18 credited, and payees and payment amounts for the expenditures  
19 made from the funding source during the reporting period.

\* 20 Sec. 9. 2000 Iowa Acts, chapter 1090, sections 5 and 6,  
21 are repealed.

22 Sec. 10. 2000 Iowa Acts, chapter 1232, sections 6, 7, 8,  
23 9, and 10, are repealed.

24 Sec. 11. EFFECTIVE DATE AND UNOBLIGATED MONEYS BUDGET  
25 CERTIFICATION -- RETROACTIVE APPLICABILITY.

26 1. The following sections of this division of this Act,  
27 being deemed of immediate importance, take effect upon  
28 enactment:

29 a. The sections of this division of this Act amending Code  
30 section 426B.5, subsections 2 and 3, which are applicable to  
31 fiscal years beginning on or after July 1, 2001.

\* 32 b. The sections of this division of this Act amending Code  
33 sections 331.424A, 331.427, and 331.438, and repealing 2000  
34 Iowa Acts, chapter 1090, sections 5 and 6, and 2000 Iowa Acts,  
35 chapter 1232, sections 6, 7, 8, 9, and 10. In addition, such

1 sections are retroactively applicable to April 13, 2000.

2 c. This section.

3 2. Any moneys in the incentive and efficiency pool created  
4 in section 426B.5, subsection 2, that remain unencumbered or  
5 unobligated at the close of the fiscal year beginning July 1,  
6 2000, shall be credited to the appropriation and allocation  
7 for the per capita expenditure target pool for distribution to  
8 counties for fiscal year 2001-2002 made in 2000 Iowa Acts,  
9 chapter 1232, section 1, subsection 2.

\*10

DIVISION II

DISPUTED BILLINGS

11  
12 Sec. 12. DISPUTED BILLINGS.

13 1. To the extent allowable under federal law or  
14 regulation, if the costs of a service are payable in whole or  
15 in part by a county in accordance with a chapter of the Code  
16 listed in this section, the service was rendered prior to July  
17 1, 1997, and the county that would be obligated to pay for the  
18 costs of the service has not been billed for the service or  
19 has disputed the billing prior to the effective date of this  
20 section, or the state has fully charged off the cost of the  
21 service to an appropriation made in a prior fiscal year or has  
22 not provided information to appropriately document the basis  
23 for the billing, the county shall have no obligation to pay  
24 for the service.

25 2. This section is applicable to service costs that are a  
26 county obligation under the following chapters of the Code:

27 a. Chapter 222.

28 b. Chapter 230.

29 c. Chapter 249A.

30 Sec. 13. EFFECTIVE DATE -- APPLICABILITY. This division  
31 of this Act, being deemed of immediate importance, takes  
32 effect upon enactment.

33

DIVISION III

34

COUNTY BILLING RESPONSIBILITIES

35 Sec. 14. Section 222.2, Code 2001, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. 2A. "Department" means the department of  
3 human services.

4 Sec. 15. Section 222.73, subsection 1, unnumbered  
5 paragraph 1, Code 2001, is amended to read as follows:

6 The superintendent of each resource center and special unit  
7 shall compute by February 1 the average daily patient charge  
8 and outpatient treatment charges for which each county will be  
9 billed for services provided to patients chargeable to the  
10 county during the fiscal year beginning the following July 1.  
11 The department shall certify the amount of the charges to the  
12 director-of-revenue-and-finance and notify the counties of the  
13 billing charges.

14 Sec. 16. Section 222.73, subsection 2, unnumbered  
15 paragraph 1, Code 2001, is amended to read as follows:

16 The superintendent shall certify to the director-of-revenue  
17 and-finance department the billings to each county for  
18 services provided to patients chargeable to the county during  
19 the preceding calendar quarter. The county billings shall be  
20 based on the average daily patient charge and outpatient  
21 treatment charges computed pursuant to subsection 1, and the  
22 number of inpatient days and outpatient treatment service  
23 units chargeable to the county. The billings to a county of  
24 legal settlement are subject to adjustment for all of the  
25 following circumstances:

26 Sec. 17. Section 222.73, subsection 4, Code 2001, is  
27 amended to read as follows:

28 4. The department shall certify to the director-of-revenue  
29 and-finance and the counties by February 1 the actual per-  
30 patient-per-day costs, as computed pursuant to subsection 3,  
31 and the actual costs owed by each county for the immediately  
32 preceding calendar year for patients chargeable to the county.  
33 If the actual costs owed by the county are greater than the  
34 charges billed to the county pursuant to subsection 2, the  
35 director-of-revenue-and-finance department shall bill the

1 county for the difference with the billing for the quarter  
2 ending June 30. If the actual costs owed by the county are  
3 less than the charges billed to the county pursuant to  
4 subsection 2, the director-of-revenue-and-finance department  
5 shall credit the county for the difference starting with the  
6 billing for the quarter ending June 30.

7 Sec. 18. Section 222.74, Code 2001, is amended to read as  
8 follows:

9 222.74 DUPLICATE TO COUNTY.

10 When certifying to the director-of-revenue-and-finance  
11 department amounts to be charged against each county as  
12 provided in section 222.73, the superintendent shall send to  
13 the county auditor of each county against which the  
14 superintendent has so certified any amount, a duplicate of the  
15 certificate certification statement. The county auditor upon  
16 receipt of the duplicate certificate certification statement  
17 shall enter it to the credit of the state in the ledger of  
18 state accounts, and shall immediately issue a notice to the  
19 county treasurer authorizing the treasurer to transfer the  
20 amount from the county fund to the general state revenue. The  
21 county treasurer shall file the notice as authority for making  
22 the transfer and shall include the amount transferred in the  
23 next remittance of state taxes to the treasurer of state,  
24 designating the fund to which the amount belongs.

25 Sec. 19. Section 222.75, Code 2001, is amended to read as  
26 follows:

27 222.75 DELINQUENT PAYMENTS -- PENALTY.

28 Should-any If a county fail fails to pay the-bills a billed  
29 charge within forty-five days from the date the county auditor  
30 received the certificate certification statement from the  
31 superintendent pursuant to section 222.74, the director-of  
32 revenue-and-finance department may charge the delinquent  
33 county a penalty of not greater than one percent per month on  
34 and after forty-five days from the date the county auditor  
35 received the certificate certification statement until paid.

1 Sec. 20. Section 222.79, Code 2001, is amended to read as  
2 follows:

3 222.79 CERTIFICATION STATEMENT PRESUMED CORRECT.

4 In actions to enforce the liability imposed by section  
5 222.78, the certificate certification statement sent from the  
6 superintendent to the county auditor pursuant to section  
7 222.74 stating the sums charged in such cases shall be  
8 presumptively correct.

9 Sec. 21. Section 229.41, Code 2001, is amended to read as  
10 follows:

11 229.41 VOLUNTARY ADMISSION.

12 Persons making application pursuant to section 229.2 on  
13 their own behalf or on behalf of another person who is under  
14 eighteen years of age, if the person whose admission is sought  
15 is received for observation and treatment on the application,  
16 shall be required to pay the costs of hospitalization at rates  
17 established by the administrator. The costs may be collected  
18 weekly in advance and shall be payable at the business office  
19 of the hospital. The collections shall be remitted to the  
20 director-of-revenue-and-finance department of human services  
21 monthly to be credited to the general fund of the state.

22 Sec. 22. Section 229.42, Code 2001, is amended to read as  
23 follows:

24 229.42 COSTS PAID BY COUNTY.

25 If a person wishing to make application for voluntary  
26 admission to a mental hospital established by chapter 226 is  
27 unable to pay the costs of hospitalization or those  
28 responsible for the person are unable to pay the costs,  
29 application for authorization of voluntary admission must be  
30 made through a single entry point process before application  
31 for admission is made to the hospital. The person's county of  
32 legal settlement shall be determined through the single entry,  
33 point process and if the admission is approved through the  
34 single entry point process, the person's admission to a mental  
35 health hospital shall be authorized as a voluntary case. The

1 authorization shall be issued on forms provided by the  
2 administrator. The costs of the hospitalization shall be paid  
3 by the county of legal settlement to the director-of-revenue  
4 and-finance department of human services and credited to the  
5 general fund of the state, providing the mental health  
6 hospital rendering the services has certified to the county  
7 auditor of the county of legal settlement the amount  
8 chargeable to the county and has sent a duplicate statement of  
9 the charges to the director-of-revenue-and-finance department  
10 of human services. A county shall not be billed for the cost  
11 of a patient unless the patient's admission is authorized  
12 through the single entry point process. The mental health  
13 institute and the county shall work together to locate  
14 appropriate alternative placements and services, and to  
15 educate patients and family members of patients regarding such  
16 alternatives.

17 All the provisions of chapter 230 shall apply to such  
18 voluntary patients so far as is applicable.

19 The provisions of this section and of section 229.41 shall  
20 apply to all voluntary inpatients or outpatients either away  
21 from or at the institution heretofore-or-hereafter receiving  
22 mental health services.

23 Should-any If a county fail fails to pay these-bills the  
24 billed charges within forty-five days from the date the county  
25 auditor received the certificate certification statement from  
26 the superintendent, the director-of-revenue-and-finance  
27 department of human services shall charge the delinquent  
28 county the penalty of one percent per month on and after  
29 forty-five days from the date the county received the  
30 certificate certification statement until paid. Such The  
31 penalties received shall be credited to the general fund of  
32 the state.

33 Sec. 23. Section 230.20, subsection 1, unnumbered  
34 paragraph 1, Code 2001, is amended to read as follows:

35 The superintendent of each mental health institute shall

1 compute by February 1 the average daily patient charges and  
2 other service charges for which each county will be billed for  
3 services provided to patients chargeable to the county during  
4 the fiscal year beginning the following July 1. The  
5 department shall certify the amount of the charges to the  
6 director-of-revenue-and-finance and notify the counties of the  
7 billing charges.

8 Sec. 24. Section 230.20, subsection 2, paragraph a, Code  
9 2001, is amended to read as follows:

10 a. The superintendent shall certify to the director-of  
11 revenue-and-finance department the billings to each county for  
12 services provided to patients chargeable to the county during  
13 the preceding calendar quarter. The county billings shall be  
14 based on the average daily patient charge and other service  
15 charges computed pursuant to subsection 1, and the number of  
16 inpatient days and other service units chargeable to the  
17 county. However, a county billing shall be decreased by an  
18 amount equal to reimbursement by a third party payor or  
19 estimation of such reimbursement from a claim submitted by the  
20 superintendent to the third party payor for the preceding  
21 calendar quarter. When the actual third party payor  
22 reimbursement is greater or less than estimated, the  
23 difference shall be reflected in the county billing in the  
24 calendar quarter the actual third party payor reimbursement is  
25 determined.

26 Sec. 25. Section 230.20, subsections 4 and 5, Code 2001,  
27 are amended to read as follows:

28 4. The department shall certify to the director-of-revenue  
29 and-finance-and-the counties by February 1 the actual per-  
30 patient-per-day costs, as computed pursuant to subsection 3,  
31 and the actual costs owed by each county for the immediately  
32 preceding calendar year for patients chargeable to the county.  
33 If the actual costs owed by the county are greater than the  
34 charges billed to the county pursuant to subsection 2, the  
35 director-of-revenue-and-finance department shall bill the

1 county for the difference with the billing for the quarter  
2 ending June 30. If the actual costs owed by the county are  
3 less than the charges billed to the county pursuant to  
4 subsection 2, the director-of-revenue-and-finance department  
5 shall credit the county for the difference starting with the  
6 billing for the quarter ending June 30.

7 5. An individual statement shall be prepared for a patient  
8 on or before the fifteenth day of the month following the  
9 month in which the patient leaves the mental health institute,  
10 and a general statement shall be prepared at least quarterly  
11 for each county to which charges are made under this section.  
12 Except as otherwise required by sections 125.33 and 125.34 the  
13 general statement shall list the name of each patient  
14 chargeable to that county who was served by the mental health  
15 institute during the preceding month or calendar quarter, the  
16 amount due on account of each patient, and the specific dates  
17 for which any third party payor reimbursement received by the  
18 state is applied to the statement and billing, and the county  
19 shall be billed for eighty percent of the stated charge for  
20 each patient specified in this subsection. The statement  
21 prepared for each county shall be certified by the department  
22 to-the-director-of-revenue-and-finance and a duplicate  
23 statement shall be mailed to the auditor of that county.

24 Sec. 26. Section 230.22, Code 2001, is amended to read as  
25 follows:

26 230.22 PENALTY.

27 Should any county fail to pay the amount billed by a  
28 statement submitted pursuant to section 230.20 within forty-  
29 five days from the date the statement is received by the  
30 county, the director-of-revenue-and-finance department shall  
31 charge the delinquent county the penalty of one percent per  
32 month on and after forty-five days from the date the statement  
33 is received by the county until paid. Provided, however, that  
34 the penalty shall not be imposed if the county has notified  
35 the director-of-revenue-and-finance department of error or

1 questionable items in the billing, in which event, the  
2 director-of-revenue-and-finance department shall suspend the  
3 penalty only during the period of negotiation.

4 Sec. 27. Section 230.34, Code 2001, is amended by adding  
5 the following new subsection:

6 NEW SUBSECTION. 4. As used in this chapter, unless the  
7 context otherwise requires, "department" means the department  
8 of human services.

9 DIVISION IV

10 ACCREDITATION STANDARDS

11 Sec. 28. Section 225C.6, subsection 1, paragraph e, Code  
12 2001, is amended to read as follows:

13 e. ~~If no other person~~ Unless another governmental body  
14 sets standards for a service available to persons with  
15 disabilities, adopt state standards for that service. The  
16 commission shall provide that a service provider's compliance  
17 with standards for a service set by a nationally recognized  
18 body shall be deemed to be in compliance with the state  
19 standards adopted by the commission for that service. The  
20 commission shall adopt state standards for those residential  
21 and community-based providers of services to persons with  
22 mental illness or developmental disabilities that are not  
23 otherwise subject to licensure by the department of human  
24 services or department of inspections and appeals, including  
25 but not limited to services payable under the adult  
26 rehabilitation option of the medical assistance program and  
27 other services payable from funds credited to a county mental  
28 health, mental retardation, and developmental disabilities  
29 services fund created in section 331.424A. In addition, the  
30 commission shall review the licensing standards used by the  
31 department of human services or department of inspections and  
32 appeals for those facilities providing services to persons  
33 with mental illness or developmental disabilities.

34 DIVISION V

35 INVOLUNTARY COMMITMENT PLACEMENTS

1 Sec. 29. Section 229.6A, subsection 2, Code 2001, is  
2 amended to read as follows:

3 2. The procedural requirements of this chapter are  
4 applicable to minors involved in hospitalization proceedings  
5 pursuant to subsection 1 and placement proceedings pursuant to  
6 section 229.14B.

7 Sec. 30. Section 229.13, Code 2001, is amended to read as  
8 follows:

9 229.13 EVALUATION ORDER -- OUTPATIENT TREATMENT --  
10 UNAUTHORIZED DEPARTURE OR FAILURE TO APPEAR.

11 ~~If upon completion of the hearing the court finds that the~~  
12 ~~contention that the respondent has a serious mental impairment~~  
13 ~~is sustained by clear and convincing evidence, the court shall~~  
14 ~~order a respondent whose expenses are payable in whole or in~~  
15 ~~part by a county committed to the care of a hospital or~~  
16 ~~facility designated through the single entry point process,~~  
17 ~~and shall order any other respondent committed to the care of~~  
18 ~~a hospital or a facility licensed to care for persons with~~  
19 ~~mental illness or substance abuse or under the care of a~~  
20 ~~facility that is licensed to care for persons with mental~~  
21 ~~illness or substance abuse on an outpatient basis as~~  
22 ~~expeditiously as possible for a complete psychiatric~~  
23 ~~evaluation and appropriate treatment.~~

24 1. If upon completion of the hospitalization hearing the  
25 court finds by clear and convincing evidence that the  
26 respondent has a serious mental impairment, the court shall  
27 order the respondent committed as expeditiously as possible  
28 for a complete psychiatric evaluation and appropriate  
29 treatment as follows:

30 a. The court shall order a respondent whose expenses are  
31 payable in whole or in part by a county placed under the care  
32 of an appropriate hospital or facility designated through the  
33 single entry point process on an inpatient or outpatient  
34 basis.

35 b. The court shall order any other respondent placed under

1 the care of an appropriate hospital or facility licensed to  
2 care for persons with mental illness or substance abuse on an  
3 inpatient or outpatient basis.

4 2. The court shall provide notice to the respondent and  
5 the respondent's attorney of the placement order under  
6 subsection 1. The court shall advise the respondent and the  
7 respondent's attorney that the respondent has a right to  
8 request a placement hearing held in accordance with the  
9 requirements of section 229.14B.

10 3. If the respondent is ordered at the a hearing to  
11 undergo outpatient treatment, the outpatient treatment  
12 provider must be notified and agree to provide the treatment  
13 prior to placement of the respondent under the treatment  
14 provider's care.

15 4. The court shall furnish to the chief medical officer of  
16 the hospital or facility at the time the respondent arrives at  
17 the hospital or facility for inpatient or outpatient treatment  
18 a written finding of fact setting forth the evidence on which  
19 the finding is based. If the respondent is ordered to undergo  
20 outpatient treatment, the order shall also require the  
21 respondent to cooperate with the treatment provider and comply  
22 with the course of treatment.

23 5. The chief medical officer of the hospital or facility  
24 at which the respondent is placed shall report to the court no  
25 more than fifteen days after the individual respondent is  
26 admitted-to-or placed under-the-care-of-the-hospital-or  
27 facility, making a recommendation for disposition of the  
28 matter. An extension of time may be granted, for not to  
29 exceed seven days upon a showing of cause. A copy of the  
30 report shall be sent to the respondent's attorney, who may  
31 contest the need for an extension of time if one is requested.  
32 Extension An extension of time shall be granted upon request  
33 unless the request is contested, in which case the court shall  
34 make such inquiry as it deems appropriate and may either order  
35 the respondent's release from the hospital or facility or

1 grant extension of time for psychiatric evaluation. If the  
2 chief medical officer fails to report to the court within  
3 fifteen days after the individual is admitted-to-or placed  
4 under the care of the hospital or facility, and no an  
5 extension of time has not been requested, the chief medical  
6 officer is guilty of contempt and shall be punished under  
7 chapter 665. The court shall order a rehearing on the  
8 application to determine whether the respondent should  
9 continue to be held detained at or placed under the care of  
10 the facility.

11 6. If, after placement and-admission of a respondent in or  
12 under the care of a hospital or other suitable facility for  
13 inpatient treatment, the respondent departs from the hospital  
14 or facility or fails to appear for treatment as ordered  
15 without prior proper authorization from the chief medical  
16 officer, upon receipt of notification of the respondent's  
17 departure or failure to appear by the chief medical officer, a  
18 peace officer of the state shall without further order of the  
19 court exercise all due diligence to take the respondent into  
20 protective custody and return the respondent to the hospital  
21 or facility.

22 Sec. 31. Section 229.14, Code 2001, is amended to read as  
23 follows:

24 229.14 CHIEF MEDICAL OFFICER'S REPORT.

25 1. The chief medical officer's report to the court on the  
26 psychiatric evaluation of the respondent shall be made not  
27 later than the expiration of the time specified in section  
28 229.13. At least two copies of the report shall be filed with  
29 the clerk, who shall dispose of them in the manner prescribed  
30 by section 229.10, subsection 2. The report shall state one  
31 of the four following alternative findings:

32 1- a. That the respondent does not, as of the date of the  
33 report, require further treatment for serious mental  
34 impairment. If the report so states, the court shall order  
35 the respondent's immediate release from involuntary

1 hospitalization and terminate the proceedings.

2 2- b. That the respondent is seriously mentally impaired  
3 and in need of full-time custody, care and inpatient treatment  
4 in a hospital, and is considered likely to benefit from  
5 treatment. If the report so states, the court shall enter an  
6 order which may require the respondent's continued  
7 hospitalization for appropriate treatment. The report shall  
8 include the chief medical officer's recommendation for further  
9 treatment.

10 3- c. That the respondent is seriously mentally impaired  
11 and in need of treatment, but does not require full-time  
12 hospitalization. If the report so states, it shall include  
13 the chief medical officer's recommendation for treatment of  
14 the respondent on an outpatient or other appropriate basis,  
15 and the court shall enter an order which may direct the  
16 respondent to submit to the recommended treatment. The order  
17 shall provide that if the respondent fails or refuses to  
18 submit to treatment as directed by the court's order, the  
19 court may order that the respondent be taken into immediate  
20 custody as provided by section 229.11 and, following notice  
21 and hearing held in accordance with the procedures of section  
22 229.12, may order the respondent treated as a patient  
23 requiring full-time custody, care, and treatment in a hospital  
24 until such time as the chief medical officer reports that the  
25 respondent does not require further treatment for serious  
26 mental impairment or has indicated the respondent is willing  
27 to submit to treatment on another basis as ordered by the  
28 court. -- If a patient is transferred for treatment to another  
29 provider under this subsection, the treatment provider who  
30 will be providing the outpatient or other appropriate  
31 treatment shall be provided with relevant court orders by the  
32 former treatment provider.

33 4- d. The respondent is seriously mentally impaired and in  
34 need of full-time custody and care, but is unlikely to benefit  
35 from further inpatient treatment in a hospital. If the report

1 ~~so-states, the~~ The report shall include the chief medical  
2 officer's shall-recommend recommendation for an  
3 appropriate alternative placement for the respondent and the  
4 court shall enter an order which may direct the respondent's  
5 transfer to the recommended placement.

6 2. Following receipt of the chief medical officer's report  
7 under subsection 1, paragraph "b", "c", or "d", the court  
8 shall issue an order for appropriate treatment as follows:

9 a. For a respondent whose expenses are payable in whole or  
10 in part by a county, placement as designated through the  
11 single entry point process in the care of an appropriate  
12 hospital or facility on an inpatient or outpatient basis, or  
13 other appropriate treatment, or in an appropriate alternative  
14 placement.

15 b. For any other respondent, placement in the care of an  
16 appropriate hospital or facility on an inpatient or outpatient  
17 basis, or other appropriate treatment, or an appropriate  
18 alternative placement.

19 c. A For a respondent who is an inmate in the custody of  
20 the department of corrections may, as a court-ordered  
21 alternative placement, the court may order the respondent to  
22 receive mental health services in a correctional program. If  
23 the court or the respondent's attorney considers the placement  
24 inappropriate, an alternative placement may be arranged upon  
25 consultation with the chief medical officer and approval of  
26 the court.

27 d. If the court orders treatment of the respondent on an  
28 outpatient or other appropriate basis as described in the  
29 chief medical officer's report pursuant to subsection 1,  
30 paragraph "c", the order shall provide that, should the  
31 respondent fail or refuse to submit to treatment in accordance  
32 with the court's order, the court may order that the  
33 respondent be taken into immediate custody as provided by  
34 section 229.11 and, following notice and hearing held in  
35 accordance with the procedures of section 229.12, may order

1 the respondent treated as on an inpatient basis requiring  
2 full-time custody, care, and treatment in a hospital until  
3 such time as the chief medical officer reports that the  
4 respondent does not require further treatment for serious  
5 mental impairment or has indicated the respondent is willing  
6 to submit to treatment on another basis as ordered by the  
7 court. If a patient is transferred for treatment to another  
8 provider under this paragraph, the treatment provider who will  
9 be providing the outpatient or other appropriate treatment  
10 shall be provided with relevant court orders by the former  
11 treatment provider.

12 Sec. 32. Section 229.14A, Code 2001, is amended to read as  
13 follows:

14 229.14A ESCAPE FROM CUSTODY.

15 A person who is placed in a hospital or other suitable  
16 facility for evaluation under section 229.13 or who is  
17 required to remain hospitalized for treatment under section  
18 229.14~~7~~-subsection-2~~7~~, shall remain at that hospital or  
19 facility unless discharged or otherwise permitted to leave by  
20 the court or the chief medical officer of the hospital or  
21 facility. If a person placed at a hospital or facility or  
22 required to remain at a hospital or facility leaves the  
23 facility without permission or without having been discharged,  
24 the chief medical officer may notify the sheriff of the  
25 person's absence and the sheriff shall take the person into  
26 custody and return the person promptly to the hospital or  
27 facility.

28 Sec. 33. NEW SECTION. 229.14B PLACEMENT ORDER -- NOTICE  
29 AND HEARING.

30 1. With respect to a chief medical officer's report made  
31 pursuant to section 229.14, subsection 1, paragraph "b", "c",  
32 or "d", or any other provision of this chapter related to  
33 involuntary commitment for which the court issues a placement  
34 order or a transfer of placement is authorized, the court  
35 shall provide notice to the respondent and the respondent's

1 attorney or mental health advocate pursuant to section 229.19  
2 concerning the placement order and the respondent's right to  
3 request a placement hearing to determine if the order for  
4 placement or transfer of placement is appropriate.

5 2. The notice shall provide that a request for a placement  
6 hearing must be in writing and filed with the clerk within  
7 seven days of issuance of the placement order.

8 3. A request for a placement hearing may be signed by the  
9 respondent, the respondent's next friend, guardian, or  
10 attorney.

11 4. The court, on its own motion, may order a placement  
12 hearing to be held.

13 5. a. A placement hearing shall be held no sooner than  
14 four days and no later than seven days after the request for  
15 the placement hearing is filed unless otherwise agreed to by  
16 the parties.

17 b. The respondent may be transferred to the placement  
18 designated by the court's placement order and receive  
19 treatment unless a request for hearing is filed prior to the  
20 transfer. If the request for a placement hearing is filed  
21 prior to the transfer, the court shall determine where the  
22 respondent shall be detained and treated until the date of the  
23 hearing.

24 c. If the respondent's attorney has withdrawn pursuant to  
25 section 229.19, the court shall appoint an attorney for the  
26 respondent in the manner described in section 229.8,  
27 subsection 1.

28 6. Time periods shall be calculated for the purposes of  
29 this section excluding weekends and official holidays.

30 7. If a respondent's expenses are payable in whole or in  
31 part by a county through the single entry point process,  
32 notice of a placement hearing shall be provided to the county  
33 attorney and the county's single entry point process  
34 administrator. At the hearing, the county may present  
35 evidence regarding appropriate placement.

1 8. In a placement hearing, the court shall determine a  
2 placement for the respondent in accordance with the  
3 requirements of section 229.23, taking into consideration the  
4 evidence presented by all the parties.

5 9. A placement made pursuant to an order entered under  
6 section 229.13 or 229.14 or this section shall be considered  
7 to be authorized through the single entry point process.

8 Sec. 34. Section 229.15, subsections 1 through 3, Code  
9 2001, are amended to read as follows:

10 1. Not more than thirty days after entry of an order for  
11 continued hospitalization of a patient under section 229.14,  
12 subsection 2 1, paragraph "b", and thereafter at successive  
13 intervals of not more than sixty days continuing so long as  
14 involuntary hospitalization of the patient continues, the  
15 chief medical officer of the hospital shall report to the  
16 court which entered the order. The report shall be submitted  
17 in the manner required by section 229.14, shall state whether  
18 the patient's condition has improved, remains unchanged, or  
19 has deteriorated, and shall indicate if possible the further  
20 length of time the patient will be required to remain at the  
21 hospital. The chief medical officer may at any time report to  
22 the court a finding as stated in section 229.14, subsection 4  
23 1, and the court shall act thereon upon the finding as  
24 required by that section 229.14, subsection 2.

25 2. Not more than sixty days after the entry of a court  
26 order for treatment of a patient pursuant to a report issued  
27 under section 229.14, subsection 3 1, paragraph "c", and  
28 thereafter at successive intervals as ordered by the court but  
29 not to exceed ninety days so long as that court order remains  
30 in effect, the medical director of the facility treating the  
31 patient shall report to the court which entered the order.  
32 The report shall state whether the patient's condition has  
33 improved, remains unchanged, or has deteriorated, and shall  
34 indicate if possible the further length of time the patient  
35 will require treatment by the facility. If at any time the

1 patient without good cause fails or refuses to submit to  
2 treatment as ordered by the court, the medical director shall  
3 at once so notify the court, which shall order the patient  
4 hospitalized as provided by section 229.14, subsection 3 2,  
5 paragraph "d", unless the court finds that the failure or  
6 refusal was with good cause and that the patient is willing to  
7 receive treatment as provided in the court's order, or in a  
8 revised order if the court sees fit to enter one. If at any  
9 time the medical director reports to the court that in the  
10 director's opinion the patient requires full-time custody,  
11 care and treatment in a hospital, and the patient is willing  
12 to be admitted voluntarily to the hospital for these purposes,  
13 the court may enter an order approving hospitalization for  
14 appropriate treatment upon consultation with the chief medical  
15 officer of the hospital in which the patient is to be  
16 hospitalized. If the patient is unwilling to be admitted  
17 voluntarily to the hospital, the procedure for determining  
18 involuntary hospitalization, as set out in section 229.14,  
19 subsection 3 2, paragraph "d", shall be followed.

20 3. When a patient has been placed in a an alternative  
21 facility other than a hospital pursuant to a report issued  
22 under section 229.14, subsection 4 1, paragraph "d", a report  
23 on the patient's condition and prognosis shall be made to the  
24 court which placed the patient, at least once every six  
25 months, unless the court authorizes annual reports. If an  
26 evaluation of the patient is performed pursuant to section  
27 227.2, subsection 4, a copy of the evaluation report shall be  
28 submitted to the court within fifteen days of the evaluation's  
29 completion. The court may in its discretion waive the  
30 requirement of an additional report between the annual  
31 evaluations. If the administrator exercises the authority to  
32 remove residents from a county care facility or other county  
33 or private institution under section 227.6, the administrator  
34 shall promptly notify each court which placed in that facility  
35 any resident so removed.

1 Sec. 35. Section 229.15, subsection 4, Code 2001, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4 4. a. When in the opinion of the chief medical officer  
5 the best interest of a patient would be served by a  
6 convalescent or limited leave, the chief medical officer may  
7 authorize the leave and, if authorized, shall promptly report  
8 the leave to the court. When in the opinion of the chief  
9 medical officer the best interest of a patient would be served  
10 by a transfer to a different hospital for continued full-time  
11 custody, care, and treatment, the chief medical officer shall  
12 promptly send a report to the court. The court shall act upon  
13 the report in accordance with section 229.14B.

14 b. This subsection shall not be construed to add to or  
15 restrict the authority otherwise provided by law for transfer  
16 of patients or residents among various state institutions  
17 administered by the department of human services. If a  
18 patient is transferred under this subsection, the treatment  
19 provider to whom the patient is transferred shall be provided  
20 with copies of relevant court orders by the former treatment  
21 provider.

22 Sec. 36. Section 229.16, Code 2001, is amended to read as  
23 follows:

24 229.16 DISCHARGE AND TERMINATION OF PROCEEDING.

25 When the condition of a patient who is hospitalized  
26 pursuant to a report issued under section 229.14, subsection 2  
27 1, paragraph "b", or is receiving treatment pursuant to a  
28 report issued under section 229.14, subsection 3 1, paragraph  
29 "c", or is in full-time care and custody pursuant to a report  
30 issued under section 229.14, subsection 4 1, paragraph "d", is  
31 such that in the opinion of the chief medical officer the  
32 patient no longer requires treatment or care for serious  
33 mental impairment, the chief medical officer shall tentatively  
34 discharge the patient and immediately report that fact to the  
35 court which ordered the patient's hospitalization or care and

1 custody. ~~The court shall thereupon~~ Upon receiving the report,  
2 the court shall issue an order confirming the patient's  
3 discharge from the hospital or from care and custody, as the  
4 case may be, and shall terminate the proceedings pursuant to  
5 which the order was issued. Copies of the order shall be sent  
6 by regular mail to the hospital, the patient, and the  
7 applicant if the applicant has filed a written waiver signed  
8 by the patient.

9 Sec. 37. Section 229.17, Code 2001, is amended to read as  
10 follows:

11 229.17 STATUS OF RESPONDENT DURING APPEAL.

12 Where If a respondent appeals to the supreme court from a  
13 finding that the contention the respondent is seriously  
14 mentally impaired has been sustained, and the respondent was  
15 previously ordered taken into immediate custody under section  
16 229.11 or has been hospitalized for psychiatric evaluation and  
17 appropriate treatment under section 229.13 before the court is  
18 informed of intent to appeal its finding, the respondent shall  
19 remain in custody as previously ordered by the court, the time  
20 limit stated in section 229.11 notwithstanding, or shall  
21 remain in the hospital subject to compliance by the hospital  
22 with sections 229.13 to 229.16, as the case may be, unless the  
23 supreme court orders otherwise. If a respondent appeals to  
24 the supreme court regarding a placement order, the respondent  
25 shall remain in placement unless the supreme court orders  
26 otherwise.

27 Sec. 38. Section 229.21, subsection 3, Code 2001, is  
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. d. Any respondent with respect to whom the  
30 magistrate or judicial hospitalization referee has held a  
31 placement hearing and has entered a placement order may appeal  
32 the order to a judge of the district court. The request for  
33 appeal must be given to the clerk in writing within ten days  
34 of the entry of the magistrate's or referee's order. The  
35 request for appeal shall be signed by the respondent, or the

1 respondent's next friend, guardian, or attorney.

2 Sec. 39. Section 229.28, Code 2001, is amended to read as  
3 follows:

4 229.28 HOSPITALIZATION IN CERTAIN FEDERAL FACILITIES.

5 When a court finds that the contention that a respondent is  
6 seriously mentally impaired has been sustained or proposes to  
7 order continued hospitalization of any person, or an  
8 alternative placement, as described under section 229.14,  
9 subsection ~~2-or-4~~ 1, paragraph "b" or "d", and the court is  
10 furnished evidence that the respondent or patient is eligible  
11 for care and treatment in a facility operated by the veterans  
12 administration or another agency of the United States  
13 government and that the facility is willing to receive the  
14 respondent or patient, the court may so order. The respondent  
15 or patient, when so hospitalized or placed in a facility  
16 operated by the veterans administration or another agency of  
17 the United States government within or outside of this state,  
18 shall be subject to the rules of the veterans administration  
19 or other agency, but shall not thereby lose any procedural  
20 rights afforded the respondent or patient by this chapter.  
21 The chief officer of the facility shall have, with respect to  
22 the person so hospitalized or placed, the same powers and  
23 duties as the chief medical officer of a hospital in this  
24 state would have in regard to submission of reports to the  
25 court, retention of custody, transfer, convalescent leave or  
26 discharge. Jurisdiction is retained in the court to maintain  
27 surveillance of the person's treatment and care, and at any  
28 time to inquire into that person's mental condition and the  
29 need for continued hospitalization or care and custody.

30 Sec. 40. CODIFICATION. The Code editor shall transfer  
31 section 229.14A, Code 2001, as amended by this Act to section  
32 229.14B, and shall codify section 229.14B, as enacted by this  
33 Act, as section 229.14A.

34 DIVISION VI  
35 RELATED PROVISIONS

1 Sec. 41. Section 225.27, Code 2001, is amended to read as  
2 follows:

3 225.27 DISCHARGE -- TRANSFER.

4 The state psychiatric hospital may, at any time, discharge  
5 any patient as recovered, as improved, or as not likely to be  
6 benefited by further treatment. If the patient being so  
7 discharged was involuntarily hospitalized, the hospital shall  
8 notify the committing judge or court thereof of the discharge  
9 as required by section 229.14~~7~~-~~subsection-3~~ or section 229.16,  
10 whichever is applicable. Upon receiving the notification, the  
11 court shall issue an order confirming the patient's discharge  
12 from the hospital or from care and custody, as the case may  
13 be, and shall terminate the proceedings pursuant to which the  
14 order was issued. The court or judge shall, if necessary,  
15 appoint some a person to accompany the discharged patient from  
16 the state psychiatric hospital to such place as the hospital  
17 or the court may designate, or authorize the hospital to  
18 appoint such attendant.

19 Sec. 42. Section 226.26, Code 2001, is amended to read as  
20 follows:

21 226.26 DANGEROUS PATIENTS.

22 The administrator, on the recommendation of the  
23 superintendent, and on the application of the relatives or  
24 friends of a patient who is not cured and who cannot be safely  
25 allowed to go at liberty, may release such the patient when  
26 fully satisfied that such the relatives or friends will  
27 provide and maintain all necessary supervision, care, and  
28 restraint over such the patient. If the patient being so  
29 released was involuntarily hospitalized, the consent of the  
30 district court which ordered the patient's hospitalization  
31 placement shall be obtained in advance in substantially the  
32 manner prescribed by section 229.14~~7~~-~~subsection-3~~.

33 Sec. 43. Section 226.33, Code 2001, is amended to read as  
34 follows:

35 226.33 NOTICE TO COURT.

1 When a patient who was hospitalized involuntarily and who  
2 has not fully recovered is discharged from the hospital by the  
3 administrator under section 226.32, notice of the order shall  
4 at once be sent to the court which ordered the patient's  
5 hospitalization, in the manner prescribed by section 229.147  
6 subsection-4.

7 Sec. 44. Section 227.11, Code 2001, is amended to read as  
8 follows:

9 227.11 TRANSFERS FROM STATE HOSPITALS.

10 A county chargeable with the expense of a patient in a  
11 state hospital for persons with mental illness shall remove  
12 such transfer the patient to a county or private institution  
13 for persons with mental illness which has complied that is in  
14 compliance with the aforesaid applicable rules when the  
15 administrator of the division or the administrator's designee  
16 so orders the transfer on a finding that said the patient is  
17 suffering from chronic mental illness or from senility and  
18 will receive equal benefit by being so transferred. A county  
19 shall remove transfer to its county care facility any patient  
20 in a state hospital for persons with mental illness upon  
21 request of the superintendent of the state hospital in which  
22 the patient is confined pursuant to the superintendent's  
23 authority under section 229.15, subsection 4, and approval by  
24 the board of supervisors of the county of the patient's  
25 residence. In no case shall a patient be thus transferred  
26 except upon compliance with section 229.147-subsection-47  
27 229.14B or without the written consent of a relative, friend,  
28 or guardian if such relative, friend, or guardian pays the  
29 expense of the care of such patient in a state hospital.  
30 Patients transferred to a public or private facility under  
31 this section may subsequently be placed on convalescent or  
32 limited leave or transferred to a different facility for  
33 continued full-time custody, care, and treatment when, in the  
34 opinion of the attending physician or the chief medical  
35 officer of the hospital from which the patient was so

1 transferred, the best interest of the patient would be served  
2 by such leave or transfer. However, if the patient was  
3 originally hospitalized involuntarily, the leave or transfer  
4 shall be made in compliance with section 229.15, subsection 4.  
5 For any patient who is involuntarily committed, any transfer  
6 made under this section is subject to the placement hearing  
7 requirements of section 229.14B.

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HOUSE FILE 727

AN ACT

RELATING TO MENTAL HEALTH, MENTAL RETARDATION, AND  
DEVELOPMENTAL DISABILITIES SERVICE PROVISIONS, INCLUDING  
COUNTY FUNDING FOR SUCH SERVICES EXPENDITURES AND PLACEMENTS  
OF PERSONS WITH SERIOUS MENTAL IMPAIRMENTS AND PROVIDING  
EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

ALLOWED GROWTH FUNDING POOLS

Section 1. Section 331.424A, subsection 6, Code 2001, is amended by striking the subsection.

Sec. 2. Section 331.427, subsection 2, paragraph n, Code 2001, is amended by striking the paragraph.

Sec. 3. Section 331.438, subsection 1, paragraph a, unnumbered paragraph 2, Code 2001, is amended by striking the unnumbered paragraph.

Sec. 4. Section 426B.5, subsection 1, paragraphs b, c, and d, Code 2001, are amended to read as follows:

b. A statewide per capita expenditure target amount is established. The statewide per capita expenditure target

amount shall be equal to the seventy-fifth one-hundredth percentile of all county per capita expenditures in the fiscal year beginning July 1, 1997, and ending June 30, 1998.

~~c. Only a county levying the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A is eligible to receive moneys from the per capita expenditure target pool for a fiscal year. Moneys available in the pool for a fiscal year shall be distributed to those eligible counties whose per capita expenditure in the latest fiscal year for which the actual expenditure information is available is less than the statewide per capita expenditure target amount.~~ Moneys available in the per capita expenditure pool for a fiscal year shall be distributed to those counties who meet all of the following eligibility requirements:

(1) The county is levying the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A.

(2) The county's per capita expenditure in the latest fiscal year for which the actual expenditure information is available is equal to or less than the statewide per capita expenditure target amount.

(3) In the fiscal year that commenced two years prior to the fiscal year of distribution, the county's mental health, mental retardation, and developmental disabilities services fund ending balance under generally accepted accounting principles was equal to or less than twenty-five percent of the county's actual gross expenditures for the fiscal year that commenced two years prior to the fiscal year of distribution.

(4) The county is in compliance with the filing date requirements under section 331.403.

d. The distribution amount a county receives from the moneys available in the pool shall be determined based upon the county's proportion of the general population of the

counties eligible to receive moneys from the pool for that fiscal year. However, a county shall not receive moneys in excess of the amount which would cause the county's per capita expenditure to ~~equal~~ exceed the statewide per capita expenditure target. Moneys credited to the per capita expenditure target pool which remain unobligated or unexpended at the close of a fiscal year shall remain in the pool for distribution in the succeeding fiscal year.

Sec. 5. Section 426B.5, subsection 2, Code 2001, is amended by striking the subsection.

Sec. 6. Section 426B.5, subsection 3, Code 2001, is amended by adding the following new paragraph before paragraph a and relettering the subsequent paragraphs:

NEW PARAGRAPH. 0a. For the purposes of this subsection, unless the context otherwise requires:

(1) "Net expenditure amount" means a county's gross expenditures from the services fund for a fiscal year as adjusted by subtracting all services fund revenues for that fiscal year that are received from a source other than property taxes, as calculated on a modified accrual basis.

(2) "Services fund" means a county's mental health, mental retardation, and developmental disabilities services fund created in section 331.424A.

Sec. 7. Section 426B.5, subsection 3, paragraph c, subparagraphs (1), (2), and (4), Code 2001, are amended to read as follows:

(1) A county must apply to the board for assistance from the risk pool on or before April 1 to cover an unanticipated cost net expenditure amount in excess of the county's current fiscal year ~~budget~~ budgeted net expenditure amount for the county's ~~mental-health,-mental-retardation,-and-developmental-disabilities~~ services fund. For purposes of applying for risk pool assistance and for repaying unused risk pool assistance, the current fiscal year ~~budget~~ budgeted net expenditure amount shall be deemed to be the higher of either the ~~budget~~ budgeted net expenditure amount in the management plan approved under

section 331.439 for the fiscal year in which the application is made or the prior fiscal year's ~~gross-expenditures-from-the-services-fund~~ net expenditure amount.

(2) Basic eligibility for risk pool assistance shall require a projected need net expenditure amount in excess of the sum of one hundred five percent of the county's current fiscal year ~~budget~~ budgeted net expenditure amount and any amount of the county's prior fiscal year ending fund balance in excess of twenty-five percent of the county's gross expenditures from the services fund in the prior fiscal year. However, if a county's services fund ending balance in the previous fiscal year was less than ten percent of the amount of the county's gross expenditures from the services fund for that fiscal year and the county has a projected net expenditure amount for the current fiscal year that is in excess of one hundred one percent of the budgeted net expenditure amount for the current fiscal year, the county shall be considered to have met the basic eligibility requirement and is qualified for risk pool assistance.

(4) A county receiving risk pool assistance in a fiscal year in which the county did not levy the maximum amount allowed for the county's ~~mental-health,-mental-retardation,-and-developmental-disabilities~~ services fund under section 331.424A shall be required to repay the risk pool assistance during the two succeeding fiscal years. The repayment amount shall be limited to the amount by which the actual amount levied was less than the maximum amount allowed, with at least fifty percent due in the first succeeding fiscal year and the remainder due in the second succeeding fiscal year.

Sec. 8. Section 426B.5, subsection 3, Code 2001, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. On or before March 1 and September 1 of each fiscal year, the department of human services shall provide the risk pool board with a report of the financial condition of each funding source administered by the board. The report shall include but is not limited to an itemization

of the funding source's balances, types and amount of revenues credited, and payees and payment amounts for the expenditures made from the funding source during the reporting period.

Sec. 9. 2000 Iowa Acts, chapter 1090, sections 5 and 6, are repealed.

Sec. 10. 2000 Iowa Acts, chapter 1232, sections 6, 7, 8, 9, and 10, are repealed.

Sec. 11. EFFECTIVE DATE AND UNOBLIGATED MONEYS BUDGET CERTIFICATION -- RETROACTIVE APPLICABILITY.

1. The following sections of this division of this Act, being deemed of immediate importance, take effect upon enactment:

a. The sections of this division of this Act amending Code section 426B.5, subsections 2 and 3, which are applicable to fiscal years beginning on or after July 1, 2001.

b. The sections of this division of this Act amending Code sections 331.424A, 331.427, and 331.438, and repealing 2000 Iowa Acts, chapter 1090, sections 5 and 6, and 2000 Iowa Acts, chapter 1232, sections 6, 7, 8, 9, and 10. In addition, such sections are retroactively applicable to April 13, 2000.

c. This section.

2. Any moneys in the incentive and efficiency pool created in section 426B.5, subsection 2, that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2000, shall be credited to the appropriation and allocation for the per capita expenditure target pool for distribution to counties for fiscal year 2001-2002 made in 2000 Iowa Acts, chapter 1232, section 1, subsection 2.

#### DIVISION II

##### DISPUTED BILLINGS

Sec. 12. DISPUTED BILLINGS.

1. To the extent allowable under federal law or regulation, if the costs of a service are payable in whole or in part by a county in accordance with a chapter of the Code listed in this section, the service was rendered prior to July 1, 1997, and the county that would be obligated to pay for the

costs of the service has not been billed for the service or has disputed the billing prior to the effective date of this section, or the state has fully charged off the cost of the service to an appropriation made in a prior fiscal year or has not provided information to appropriately document the basis for the billing, the county shall have no obligation to pay for the service.

2. This section is applicable to service costs that are a county obligation under the following chapters of the Code:

- a. Chapter 222.
- b. Chapter 230.
- c. Chapter 249A.

Sec. 13. EFFECTIVE DATE -- APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

#### DIVISION III

##### COUNTY BILLING RESPONSIBILITIES

Sec. 14. Section 222.2, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. "Department" means the department of human services.

Sec. 15. Section 222.73, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent of each resource center and special unit shall compute by February 1 the average daily patient charge and outpatient treatment charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges to the ~~director of revenue and finance~~ and notify the counties of the billing charges.

Sec. 16. Section 222.73, subsection 2, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent shall certify to the ~~director of revenue and finance~~ department the billings to each county for services provided to patients chargeable to the county during

the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. The billings to a county of legal settlement are subject to adjustment for all of the following circumstances:

Sec. 17. Section 222.73, subsection 4, Code 2001, is amended to read as follows:

4. The department shall certify to the ~~director-of-revenue and finance~~ and the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the ~~director-of-revenue-and-finance~~ department shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the ~~director-of-revenue-and-finance~~ department shall credit the county for the difference starting with the billing for the quarter ending June 30.

Sec. 18. Section 222.74, Code 2001, is amended to read as follows:

222.74 DUPLICATE TO COUNTY.

When certifying to the ~~director-of-revenue-and-finance~~ department amounts to be charged against each county as provided in section 222.73, the superintendent shall send to the county auditor of each county against which the superintendent has so certified any amount, a duplicate of the certificate certification statement. The county auditor upon receipt of the duplicate certificate certification statement shall enter it to the credit of the state in the ledger of state accounts, and shall immediately issue a notice to the county treasurer authorizing the treasurer to transfer the

amount from the county fund to the general state revenue. The county treasurer shall file the notice as authority for making the transfer and shall include the amount transferred in the next remittance of state taxes to the treasurer of state, designating the fund to which the amount belongs.

Sec. 19. Section 222.75, Code 2001, is amended to read as follows:

222.75 DELINQUENT PAYMENTS -- PENALTY.

~~Should any~~ If a county fails to pay the bills a billed charge within forty-five days from the date the county auditor received the certificate certification statement from the superintendent pursuant to section 222.74, the ~~director-of-revenue-and-finance~~ department may charge the delinquent county a penalty of not greater than one percent per month on and after forty-five days from the date the county auditor received the certificate certification statement until paid.

Sec. 20. Section 222.79, Code 2001, is amended to read as follows:

222.79 CERTIFICATION STATEMENT PRESUMED CORRECT.

In actions to enforce the liability imposed by section 222.78, the certificate certification statement sent from the superintendent to the county auditor pursuant to section 222.74 stating the sums charged in such cases shall be presumptively correct.

Sec. 21. Section 229.41, Code 2001, is amended to read as follows:

229.41 VOLUNTARY ADMISSION.

Persons making application pursuant to section 229.2 on their own behalf or on behalf of another person who is under eighteen years of age, if the person whose admission is sought is received for observation and treatment on the application, shall be required to pay the costs of hospitalization at rates established by the administrator. The costs may be collected weekly in advance and shall be payable at the business office of the hospital. The collections shall be remitted to the ~~director-of-revenue-and-finance~~ department of human services monthly to be credited to the general fund of the state.

patient shall report to the court which entered the order. The report shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will require treatment by the facility. If at any time the patient without good cause fails or refuses to submit to treatment as ordered by the court, the medical director shall at once so notify the court, which shall order the patient hospitalized as provided by section 229.14, subsection 3 2, paragraph "d", unless the court finds that the failure or refusal was with good cause and that the patient is willing to receive treatment as provided in the court's order, or in a revised order if the court sees fit to enter one. If at any time the medical director reports to the court that in the director's opinion the patient requires full-time custody, care and treatment in a hospital, and the patient is willing to be admitted voluntarily to the hospital for these purposes, the court may enter an order approving hospitalization for appropriate treatment upon consultation with the chief medical officer of the hospital in which the patient is to be hospitalized. If the patient is unwilling to be admitted voluntarily to the hospital, the procedure for determining involuntary hospitalization, as set out in section 229.14, subsection 3 2, paragraph "d", shall be followed.

3. When a patient has been placed in a an alternative facility other than a hospital pursuant to a report issued under section 229.14, subsection 4 1, paragraph "d", a report on the patient's condition and prognosis shall be made to the court which placed the patient, at least once every six months, unless the court authorizes annual reports. If an evaluation of the patient is performed pursuant to section 227.2, subsection 4, a copy of the evaluation report shall be submitted to the court within fifteen days of the evaluation's completion. The court may in its discretion waive the requirement of an additional report between the annual evaluations. If the administrator exercises the authority to

remove residents from a county care facility or other county or private institution under section 227.6, the administrator shall promptly notify each court which placed in that facility any resident so removed.

Sec. 35. Section 229.15, subsection 4, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

4. a. When in the opinion of the chief medical officer the best interest of a patient would be served by a convalescent or limited leave, the chief medical officer may authorize the leave and, if authorized, shall promptly report the leave to the court. When in the opinion of the chief medical officer the best interest of a patient would be served by a transfer to a different hospital for continued full-time custody, care, and treatment, the chief medical officer shall promptly send a report to the court. The court shall act upon the report in accordance with section 229.14B.

b. This subsection shall not be construed to add to or restrict the authority otherwise provided by law for transfer of patients or residents among various state institutions administered by the department of human services. If a patient is transferred under this subsection, the treatment provider to whom the patient is transferred shall be provided with copies of relevant court orders by the former treatment provider.

Sec. 36. Section 229.16, Code 2001, is amended to read as follows:

229.16 DISCHARGE AND TERMINATION OF PROCEEDING.

When the condition of a patient who is hospitalized pursuant to a report issued under section 229.14, subsection 2 1, paragraph "b", or is receiving treatment pursuant to a report issued under section 229.14, subsection 3 1, paragraph "c", or is in full-time care and custody pursuant to a report issued under section 229.14, subsection 4 1, paragraph "d", is such that in the opinion of the chief medical officer the patient no longer requires treatment or care for serious

mental impairment, the chief medical officer shall tentatively discharge the patient and immediately report that fact to the court which ordered the patient's hospitalization or care and custody. ~~The court shall thereupon~~ Upon receiving the report, the court shall issue an order confirming the patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. Copies of the order shall be sent by regular mail to the hospital, the patient, and the applicant if the applicant has filed a written waiver signed by the patient.

Sec. 37. Section 229.17, Code 2001, is amended to read as follows:

229.17 STATUS OF RESPONDENT DURING APPEAL.

Where if a respondent appeals to the supreme court from a finding that the contention the respondent is seriously mentally impaired has been sustained, and the respondent was previously ordered taken into immediate custody under section 229.11 or has been hospitalized for psychiatric evaluation and appropriate treatment under section 229.13 before the court is informed of intent to appeal its finding, the respondent shall remain in custody as previously ordered by the court, the time limit stated in section 229.11 notwithstanding, or shall remain in the hospital subject to compliance by the hospital with sections 229.13 to 229.16, as the case may be, unless the supreme court orders otherwise. If a respondent appeals to the supreme court regarding a placement order, the respondent shall remain in placement unless the supreme court orders otherwise.

Sec. 38. Section 229.21, subsection 3, Code 2001, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Any respondent with respect to whom the magistrate or judicial hospitalization referee has held a placement hearing and has entered a placement order may appeal the order to a judge of the district court. The request for appeal must be given to the clerk in writing within ten days

of the entry of the magistrate's or referee's order. The request for appeal shall be signed by the respondent, or the respondent's next friend, guardian, or attorney.

Sec. 39. Section 229.28, Code 2001, is amended to read as follows:

229.28 HOSPITALIZATION IN CERTAIN FEDERAL FACILITIES.

When a court finds that the contention that a respondent is seriously mentally impaired has been sustained or proposes to order continued hospitalization of any person, or an alternative placement, as described under section 229.14, subsection 2-or-4 1, paragraph "b" or "d", and the court is furnished evidence that the respondent or patient is eligible for care and treatment in a facility operated by the veterans administration or another agency of the United States government and that the facility is willing to receive the respondent or patient, the court may so order. The respondent or patient, when so hospitalized or placed in a facility operated by the veterans administration or another agency of the United States government within or outside of this state, shall be subject to the rules of the veterans administration or other agency, but shall not thereby lose any procedural rights afforded the respondent or patient by this chapter. The chief officer of the facility shall have, with respect to the person so hospitalized or placed, the same powers and duties as the chief medical officer of a hospital in this state would have in regard to submission of reports to the court, retention of custody, transfer, convalescent leave or discharge. Jurisdiction is retained in the court to maintain surveillance of the person's treatment and care, and at any time to inquire into that person's mental condition and the need for continued hospitalization or care and custody.

Sec. 40. CODIFICATION. The Code editor shall transfer section 229.14A, Code 2001, as amended by this Act to section 229.14B, and shall codify section 229.14B, as enacted by this Act, as section 229.14A.

DIVISION VI  
RELATED PROVISIONS

~~provider under this subsection, the treatment provider who will be providing the outpatient or other appropriate treatment shall be provided with relevant court orders by the former treatment provider.~~

4. d. The respondent is seriously mentally impaired and in need of full-time custody and care, but is unlikely to benefit from further inpatient treatment in a hospital. ~~if the report so states, the~~ The report shall include the chief medical officer's recommendation for an appropriate alternative placement for the respondent and the court shall enter an order which may direct the respondent's transfer to the recommended placement.

2. Following receipt of the chief medical officer's report under subsection 1, paragraph "b", "c", or "d", the court shall issue an order for appropriate treatment as follows:

a. For a respondent whose expenses are payable in whole or in part by a county, placement as designated through the single entry point process in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or in an appropriate alternative placement.

b. For any other respondent, placement in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or an appropriate alternative placement.

c. A For a respondent who is an inmate in the custody of the department of corrections may, as a court-ordered alternative placement, the court may order the respondent to receive mental health services in a correctional program. If the court or the respondent's attorney considers the placement inappropriate, an alternative placement may be arranged upon consultation with the chief medical officer and approval of the court.

d. If the court orders treatment of the respondent on an outpatient or other appropriate basis as described in the chief medical officer's report pursuant to subsection 1,

paragraph "c", the order shall provide that, should the respondent fail or refuse to submit to treatment in accordance with the court's order, the court may order that the respondent be taken into immediate custody as provided by section 229.11 and, following notice and hearing held in accordance with the procedures of section 229.12, may order the respondent treated as on an inpatient basis requiring full-time custody, care, and treatment in a hospital until such time as the chief medical officer reports that the respondent does not require further treatment for serious mental impairment or has indicated the respondent is willing to submit to treatment on another basis as ordered by the court. If a patient is transferred for treatment to another provider under this paragraph, the treatment provider who will be providing the outpatient or other appropriate treatment shall be provided with relevant court orders by the former treatment provider.

Sec. 32. Section 229.14A, Code 2001, is amended to read as follows:

229.14A ESCAPE FROM CUSTODY.

A person who is placed in a hospital or other suitable facility for evaluation under section 229.13 or who is required to remain hospitalized for treatment under section 229.14, ~~subsection 2,~~ shall remain at that hospital or facility unless discharged or otherwise permitted to leave by the court or the chief medical officer of the hospital or facility. If a person placed at a hospital or facility or required to remain at a hospital or facility leaves the facility without permission or without having been discharged, the chief medical officer may notify the sheriff of the person's absence and the sheriff shall take the person into custody and return the person promptly to the hospital or facility.

Sec. 33. NEW SECTION. 229.14B PLACEMENT ORDER -- NOTICE AND HEARING.

1. With respect to a chief medical officer's report made pursuant to section 229.14, subsection 1, paragraph "b", "c", or "d", or any other provision of this chapter related to involuntary commitment for which the court issues a placement order or a transfer of placement is authorized, the court shall provide notice to the respondent and the respondent's attorney or mental health advocate pursuant to section 229.19 concerning the placement order and the respondent's right to request a placement hearing to determine if the order for placement or transfer of placement is appropriate.

2. The notice shall provide that a request for a placement hearing must be in writing and filed with the clerk within seven days of issuance of the placement order.

3. A request for a placement hearing may be signed by the respondent, the respondent's next friend, guardian, or attorney.

4. The court, on its own motion, may order a placement hearing to be held.

5. a. A placement hearing shall be held no sooner than four days and no later than seven days after the request for the placement hearing is filed unless otherwise agreed to by the parties.

b. The respondent may be transferred to the placement designated by the court's placement order and receive treatment unless a request for hearing is filed prior to the transfer. If the request for a placement hearing is filed prior to the transfer, the court shall determine where the respondent shall be detained and treated until the date of the hearing.

c. If the respondent's attorney has withdrawn pursuant to section 229.19, the court shall appoint an attorney for the respondent in the manner described in section 229.8, subsection 1.

6. Time periods shall be calculated for the purposes of this section excluding weekends and official holidays.

7. If a respondent's expenses are payable in whole or in part by a county through the single entry point process, notice of a placement hearing shall be provided to the county attorney and the county's single entry point process administrator. At the hearing, the county may present evidence regarding appropriate placement.

8. In a placement hearing, the court shall determine a placement for the respondent in accordance with the requirements of section 229.23, taking into consideration the evidence presented by all the parties.

9. A placement made pursuant to an order entered under section 229.13 or 229.14 or this section shall be considered to be authorized through the single entry point process.

Sec. 34. Section 229.15, subsections 1 through 3, Code 2001, are amended to read as follows:

1. Not more than thirty days after entry of an order for continued hospitalization of a patient under section 229.14, subsection 2 1, paragraph "b", and thereafter at successive intervals of not more than sixty days continuing so long as involuntary hospitalization of the patient continues, the chief medical officer of the hospital shall report to the court which entered the order. The report shall be submitted in the manner required by section 229.14, shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will be required to remain at the hospital. The chief medical officer may at any time report to the court a finding as stated in section 229.14, subsection 4 1, and the court shall act thereon upon the finding as required by that section 229.14, subsection 2.

2. Not more than sixty days after the entry of a court order for treatment of a patient pursuant to a report issued under section 229.14, subsection 3 1, paragraph "c", and thereafter at successive intervals as ordered by the court but not to exceed ninety days so long as that court order remains in effect, the medical director of the facility treating the

but not limited to services payable under the adult rehabilitation option of the medical assistance program and other services payable from funds credited to a county mental health, mental retardation, and developmental disabilities services fund created in section 331.424A. In addition, the commission shall review the licensing standards used by the department of human services or department of inspections and appeals for those facilities providing services to persons with mental illness or developmental disabilities.

## DIVISION V

## INVOLUNTARY COMMITMENT PLACEMENTS

Sec. 29. Section 229.6A, subsection 2, Code 2001, is amended to read as follows:

2. The procedural requirements of this chapter are applicable to minors involved in hospitalization proceedings pursuant to subsection 1 and placement proceedings pursuant to section 229.14B.

Sec. 30. Section 229.13, Code 2001, is amended to read as follows:

229.13 EVALUATION ORDER -- ~~OUTPATIENT TREATMENT --~~  
UNAUTHORIZED DEPARTURE OR FAILURE TO APPEAR.

~~If upon completion of the hearing the court finds that the contention that the respondent has a serious mental impairment is sustained by clear and convincing evidence, the court shall order a respondent whose expenses are payable in whole or in part by a county committed to the care of a hospital or facility designated through the single entry point process, and shall order any other respondent committed to the care of a hospital or a facility licensed to care for persons with mental illness or substance abuse or under the care of a facility that is licensed to care for persons with mental illness or substance abuse on an outpatient basis as expeditiously as possible for a complete psychiatric evaluation and appropriate treatment.~~

1. If upon completion of the hospitalization hearing the court finds by clear and convincing evidence that the

respondent has a serious mental impairment, the court shall order the respondent committed as expeditiously as possible for a complete psychiatric evaluation and appropriate treatment as follows:

a. The court shall order a respondent whose expenses are payable in whole or in part by a county placed under the care of an appropriate hospital or facility designated through the single entry point process on an inpatient or outpatient basis.

b. The court shall order any other respondent placed under the care of an appropriate hospital or facility licensed to care for persons with mental illness or substance abuse on an inpatient or outpatient basis.

2. The court shall provide notice to the respondent and the respondent's attorney of the placement order under subsection 1. The court shall advise the respondent and the respondent's attorney that the respondent has a right to request a placement hearing held in accordance with the requirements of section 229.14B.

3. If the respondent is ordered at the a hearing to undergo outpatient treatment, the outpatient treatment provider must be notified and agree to provide the treatment prior to placement of the respondent under the treatment provider's care.

4. The court shall furnish to the chief medical officer of the hospital or facility at the time the respondent arrives at the hospital or facility for inpatient or outpatient treatment a written finding of fact setting forth the evidence on which the finding is based. If the respondent is ordered to undergo outpatient treatment, the order shall also require the respondent to cooperate with the treatment provider and comply with the course of treatment.

5. The chief medical officer of the hospital or facility at which the respondent is placed shall report to the court no more than fifteen days after the individual respondent is admitted to or placed under the care of the hospital or

facility, making a recommendation for disposition of the matter. An extension of time may be granted, for not to exceed seven days upon a showing of cause. A copy of the report shall be sent to the respondent's attorney, who may contest the need for an extension of time if one is requested. Extension An extension of time shall be granted upon request unless the request is contested, in which case the court shall make such inquiry as it deems appropriate and may either order the respondent's release from the hospital or facility or grant extension of time for psychiatric evaluation. If the chief medical officer fails to report to the court within fifteen days after the individual is admitted-to-or placed under the care of the hospital or facility, and no an extension of time has not been requested, the chief medical officer is guilty of contempt and shall be punished under chapter 665. The court shall order a rehearing on the application to determine whether the respondent should continue to be held detained at or placed under the care of the facility.

6. If, after placement and-admission of a respondent in or under the care of a hospital or other suitable facility for inpatient treatment, the respondent departs from the hospital or facility or fails to appear for treatment as ordered without prior proper authorization from the chief medical officer, upon receipt of notification of the respondent's departure or failure to appear by the chief medical officer, a peace officer of the state shall without further order of the court exercise all due diligence to take the respondent into protective custody and return the respondent to the hospital or facility.

Sec. 31. Section 229.14, Code 2001, is amended to read as follows:

229.14 CHIEF MEDICAL OFFICER'S REPORT.

1. The chief medical officer's report to the court on the psychiatric evaluation of the respondent shall be made not later than the expiration of the time specified in section

229.13. At least two copies of the report shall be filed with the clerk, who shall dispose of them in the manner prescribed by section 229.10, subsection 2. The report shall state one of the four following alternative findings:

1. a. That the respondent does not, as of the date of the report, require further treatment for serious mental impairment. If the report so states, the court shall order the respondent's immediate release from involuntary hospitalization and terminate the proceedings.

2. b. That the respondent is seriously mentally impaired and in need of full-time custody, care and inpatient treatment in a hospital, and is considered likely to benefit from treatment. ~~If the report so states, the court shall enter an order which may require the respondent's continued hospitalization for appropriate treatment.~~ The report shall include the chief medical officer's recommendation for further treatment.

3. c. That the respondent is seriously mentally impaired and in need of treatment, but does not require full-time hospitalization. If the report so states, it shall include the chief medical officer's recommendation for treatment of the respondent on an outpatient or other appropriate basis, ~~and the court shall enter an order which may direct the respondent to submit to the recommended treatment. The order shall provide that if the respondent fails or refuses to submit to treatment as directed by the court's order, the court may order that the respondent be taken into immediate custody as provided by section 229.11 and, following notice and hearing held in accordance with the procedures of section 229.12, may order the respondent treated as a patient requiring full-time custody, care, and treatment in a hospital until such time as the chief medical officer reports that the respondent does not require further treatment for serious mental impairment or has indicated the respondent is willing to submit to treatment on another basis as ordered by the court.~~ ~~If a patient is transferred for treatment to another~~

Sec. 22. Section 229.42, Code 2001, is amended to read as follows:

229.42 COSTS PAID BY COUNTY.

If a person wishing to make application for voluntary admission to a mental hospital established by chapter 226 is unable to pay the costs of hospitalization or those responsible for the person are unable to pay the costs, application for authorization of voluntary admission must be made through a single entry point process before application for admission is made to the hospital. The person's county of legal settlement shall be determined through the single entry point process and if the admission is approved through the single entry point process, the person's admission to a mental health hospital shall be authorized as a voluntary case. The authorization shall be issued on forms provided by the administrator. The costs of the hospitalization shall be paid by the county of legal settlement to the director-of-revenue and-finance department of human services and credited to the general fund of the state, providing the mental health hospital rendering the services has certified to the county auditor of the county of legal settlement the amount chargeable to the county and has sent a duplicate statement of the charges to the director-of-revenue-and-finance department of human services. A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the single entry point process. The mental health institute and the county shall work together to locate appropriate alternative placements and services, and to educate patients and family members of patients regarding such alternatives.

All the provisions of chapter 230 shall apply to such voluntary patients so far as is applicable.

The provisions of this section and of section 229.41 shall apply to all voluntary inpatients or outpatients either away from or at the institution heretofore-or-hereafter receiving mental health services.

~~Should any~~ If a county fails fails to pay these bills the billed charges within forty-five days from the date the county auditor received the certificate certification statement from the superintendent, the director-of-revenue-and-finance department of human services shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the county received the certificate certification statement until paid. Such The penalties received shall be credited to the general fund of the state.

Sec. 23. Section 230.20, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent of each mental health institute shall compute by February 1 the average daily patient charges and other service charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges to the director-of-revenue-and-finance and notify the counties of the billing charges.

Sec. 24. Section 230.20, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. The superintendent shall certify to the director-of-revenue-and-finance department the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county. However, a county billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the county billing in the

calendar quarter the actual third party payor reimbursement is determined.

Sec. 25. Section 230.20, subsections 4 and 5, Code 2001, are amended to read as follows:

4. The department shall certify to the ~~director-of-revenue and-finance-and-the~~ counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the ~~director-of-revenue-and-finance~~ department shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the ~~director-of-revenue-and-finance~~ department shall credit the county for the difference starting with the billing for the quarter ending June 30.

5. An individual statement shall be prepared for a patient on or before the fifteenth day of the month following the month in which the patient leaves the mental health institute, and a general statement shall be prepared at least quarterly for each county to which charges are made under this section. Except as otherwise required by sections 125.33 and 125.34 the general statement shall list the name of each patient chargeable to that county who was served by the mental health institute during the preceding month or calendar quarter, the amount due on account of each patient, and the specific dates for which any third party payor reimbursement received by the state is applied to the statement and billing, and the county shall be billed for eighty percent of the stated charge for each patient specified in this subsection. The statement prepared for each county shall be certified by the department ~~to-the-director-of-revenue-and-finance~~ and a duplicate statement shall be mailed to the auditor of that county.

Sec. 26. Section 230.22, Code 2001, is amended to read as follows:

230.22 PENALTY.

Should any county fail to pay the amount billed by a statement submitted pursuant to section 230.20 within forty-five days from the date the statement is received by the county, the ~~director-of-revenue-and-finance~~ department shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the statement is received by the county until paid. Provided, however, that the penalty shall not be imposed if the county has notified the ~~director-of-revenue-and-finance~~ department of error or questionable items in the billing, in which event, the ~~director-of-revenue-and-finance~~ department shall suspend the penalty only during the period of negotiation.

Sec. 27. Section 230.34, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 4. As used in this chapter, unless the context otherwise requires, "department" means the department of human services.

DIVISION IV  
ACCREDITATION STANDARDS

Sec. 28. Section 225C.6, subsection 1, paragraph e, Code 2001, is amended to read as follows:

e. ~~if-no-other-person~~ Unless another governmental body sets standards for a service available to persons with disabilities, adopt state standards for that service. The commission shall provide that a service provider's compliance with standards for a service set by a nationally recognized body shall be deemed to be in compliance with the state standards adopted by the commission for that service. The commission shall adopt state standards for those residential and community-based providers of services to persons with mental illness or developmental disabilities that are not otherwise subject to licensure by the department of human services or department of inspections and appeals, including

Sec. 41. Section 225.27, Code 2001, is amended to read as follows:

225.27 DISCHARGE -- TRANSFER.

The state psychiatric hospital may, at any time, discharge any patient as recovered, as improved, or as not likely to be benefited by further treatment. If the patient being so discharged was involuntarily hospitalized, the hospital shall notify the committing judge or court thereof of the discharge as required by section 229.147-subsection-3 or section 229.16, whichever is applicable. Upon receiving the notification, the court shall issue an order confirming the patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. The court or judge shall, if necessary, appoint some a person to accompany the discharged patient from the state psychiatric hospital to such place as the hospital or the court may designate, or authorize the hospital to appoint such attendant.

Sec. 42. Section 226.26, Code 2001, is amended to read as follows:

226.26 DANGEROUS PATIENTS.

The administrator, on the recommendation of the superintendent, and on the application of the relatives or friends of a patient who is not cured and who cannot be safely allowed to go at liberty, may release such the patient when fully satisfied that such the relatives or friends will provide and maintain all necessary supervision, care, and restraint over such the patient. If the patient being so released was involuntarily hospitalized, the consent of the district court which ordered the patient's hospitalization placement shall be obtained in advance in substantially the manner prescribed by section 229.147-subsection-3.

Sec. 43. Section 226.33, Code 2001, is amended to read as follows:

226.33 NOTICE TO COURT.

When a patient who was hospitalized involuntarily and who has not fully recovered is discharged from the hospital by the administrator under section 226.32, notice of the order shall at once be sent to the court which ordered the patient's hospitalization, in the manner prescribed by section 229.147-subsection-4.

Sec. 44. Section 227.11, Code 2001, is amended to read as follows:

227.11 TRANSFERS FROM STATE HOSPITALS.

A county chargeable with the expense of a patient in a state hospital for persons with mental illness shall remove such transfer the patient to a county or private institution for persons with mental illness which-has-complited that is in compliance with the aforsaid applicable rules when the administrator of the division or the administrator's designee so orders the transfer on a finding that said the patient is suffering from chronic mental illness or from senility and will receive equal benefit by being so transferred. A county shall remove transfer to its county care facility any patient in a state hospital for persons with mental illness upon request of the superintendent of the state hospital in which the patient is confined pursuant to the superintendent's authority under section 229.15, subsection 4, and approval by the board of supervisors of the county of the patient's residence. In no case shall a patient be thus transferred except upon compliance with section 229-147-subsection-4, 229.14B or without the written consent of a relative, friend, or guardian if such relative, friend, or guardian pays the expense of the care of such patient in a state hospital. Patients transferred to a public or private facility under this section may subsequently be placed on convalescent or limited leave or transferred to a different facility for continued full-time custody, care, and treatment when, in the opinion of the attending physician or the chief medical officer of the hospital from which the patient was so transferred, the best interest of the patient would be served

by such leave or transfer. ~~However, if the patient was originally hospitalized involuntarily, the leave or transfer shall be made in compliance with section 229.15, subsection 4.~~  
For any patient who is involuntarily committed, any transfer made under this section is subject to the placement hearing requirements of section 229.14B.

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 727, Seventy-ninth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved May 21, 2001

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THOMAS J. VILSACK  
Governor